

KOUGA LOCAL MUNICIPALITY (EC108)

ORDINARY COUNCIL MEETING

FINANCE

DATE: 2023/04/26

ITEM NO: 2023/04/F1

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**MONTHLY BUDGET STATEMENTS FOR THE PERIOD OF JULY 2022 TO MARCH 2023 AND
FINANCIAL STATE OF AFFAIRS OF THE MUNICIPALITY AS AT 31 MARCH 2023 (2022/23
FINANCIAL YEAR)**

1. Purpose

This report is submitted in compliance with Section 71(1) and 52(d) of the Municipal Finance Management Act (MFMA) and the Municipal Budget and Reporting Regulations (MBRR).

2. Legislative Requirements

The Municipality is required to assess on an ongoing basis whether it collects sufficient revenue to meet its commitments, such as paying Employees, Councillors, Eskom, Nelson Mandela Bay Municipality, service providers etc.

In accordance with Section 71(1) of the MFMA, the Accounting Officer must by no later than 10 working days after the end of each month, submit to the mayor of the municipality and the relevant provincial treasury a statement in the prescribed format on the state of the municipality's budget.

In accordance with Section 52(d) of the MFMA, the Executive Mayor must within 30 days of the end of each quarter, submit a report to the Council on the implementation of the budget and the financial state of affairs of the municipality.

In accordance with regulations 28 of the MBRR, the monthly budget statements of a municipality must be in the format specified in Schedule C.

3. Executive Summary

This report provides a balanced and consolidated financial performance overview to assist the Executive Mayor in his oversight role.

An analysis of the financial position and performance was undertaken to determine the relative financial strength and liquidity of the Municipality. This was complemented by analysing the cash flow position, the investment portfolio, ratios, the operating, and capital budget performance for the months of March 2023, so as to facilitate an informed assessment of the relative liquidity and financial position of the Municipality.

The financial performance highlights are as follows:

- Operating revenue amounted to R 820,838 million, whilst operating expenditure amounted to R 745,428 million, resulting in an operating surplus of R 75, 410 million
- Capital expenditure constituted 56.17% of the 2022/23 Approved Adjusted Capital Budget.
- Overdue consumer debts increased by R 63,715 million (24.60%) since June 2022.
- An amount of R 42,453 million is owing to creditors, 82.82% which is current creditors. Currently all outstanding creditors are not reflected on the creditors age analysis.
- The municipality's investment portfolio has increased by R140,666,784 (505.08%) since June 2022, from R 27,850,138 to R 168,516,922.

Below is an analysis of the Investment Portfolio as at 31 March 2023.

	Balance as at 30 June 2022	Invested	Interest	Withdrawal	Charges	Balance as at 31 March 2023
Standard Bank	1,246,965	-	58,855	-	-	1,305,820
ABSA	1,223,022	-	49,585	-	-	1,272,607
Nedbank	1,225,308	-	58,417	-	-	1,283,725
RMB	4,883,568	133,156,549	1,602,702	53,418,867	-	86,223,952
INVESTEC	1,223,964	-	58,352	-	-	1,282,317
Total	9,802,828	133,156,549	1,827,911	53,418,867	-	91,368,420
	Balance as at 30 June 2022	Invested	Interest	Withdrawal	Charges	Balance as at 31 March 2023
INVESTMENT						
General Account	9,753,276	55,066,894	969,621	30,022,856	-	35,766,936
Conditional Grants	49,551	52,400,369	783,825	20,779,287	-	32,454,459
Housing Funds	0	25,689,286	74,464	2,616,725	-	23,147,026
Total	9,802,828	133,156,549	1,827,911	53,418,867	-	91,368,420
Cheque Accounts FNB 52540020791	4,850,118	24,487,865				29,337,983
Cheque Accounts FNB 52540033304	13,197,193	33,380,180				46,577,373
Cheque Accounts FNB 62682103591	-	798				798
Cheque Accounts FNB 63022194441		1,232,348				1,232,348
TOTAL	18,047,311	59,101,191	-	-	-	77,148,501
Total	27,850,138	192,257,740	1,827,911	53,418,867	-	168,516,922

The following analysis indicates the extent to which the investments are committed:

Cash backed Reserves.

Bank Balances and Cash	R 77,148,501
Short-term Investment Deposits	R 91,368,420
	<u>R168,516,922</u>

Application of Cash

Unspent Conditional Grants	70,390,116
Operational Commitments	11,899,777
Internally Generated Funds (Capital commitments)	9,352,453
Outstanding Creditors Liability	<u>42,453,465</u>
	<u>134,095,811</u>
Cash Backed Reserves in excess of commitments	: <u>34,421,111</u>

The cash backed reserves exceed commitments at this stage by an amount of R 34,421,111. It should be noted the excess of reserves over commitments as at 31 March 2023, is mainly due to an amount of R 45,723 million in respect of the equitable share allocation received on 15 March 2023, but not yet fully spent. These funds are already committed towards spending in the 2022/23 operating budget.

The following key financial ratios are monitored on an on-going basis:

Ratio	Actuals as at 30 June 2021	Actuals as at 30 June 2022	MFMA Circular 71 Norms	Actuals as at 31 March 2022	Approved Adjusted Budget 2022/23	Actuals as at 31 March 2023
Current Ratio	2.61:1	1.12:1	1.5:1 to 2:1	1.74:1	0.95:1	1.41:1
Liquidity Ratio	0.45:1	0.24:1		1.03:1	0.06:1	0.95:1
Cost Coverage (Excluding unspent conditional grants)	0.62 Months	0:37 Months	1 Month to 3 Months	1.24 Months	0.10 Months	1.34 Months
Debtors Collection Rate	94.41%	94.32%	95%	92.18%	95%	88.06%
Capital Expenditure	76.92%	87.00%		41.61%	95%	56.17%

4. Detailed Reports

In order to comply with Schedule C of the Municipal Budget and Reporting Regulations, the following detailed schedules are attached for the period, ending 31 March 2023:

Annexure "A1" – Operating Revenue and Expenditure Performance

Annexure "A2" - Capital Budget Performance

Annexure "A3"- Projected Cash Flow Statement

Annexure "A4" – Municipal Monthly Budget Tables

Annexure "A5"- Analysis of Municipality's Statement of Financial Performance

- i. Overview of Outstanding Consumer Debtors
- ii. Overview of Creditors position
- iii. Grants receipts and Expenditure
- iv. Councillors & Employee benefits
- v. Key performance Indicators

5. Recommendation

- 5.1 That the Executive Mayor notes Municipal Manager's report on the monthly budget statements, in accordance with Section 71(1) of the Municipal Finance Management Act.
- 5.2 The Executive Mayor's report on the implementation of the budget and the financial state of affairs of the municipality, in accordance with Section 52(d) of the MFMA be noted.
- 5.3 That the monthly budget statements accordingly be submitted to Provincial Treasury as stipulated in Section 71(1) of the MFMA.

6. Municipal Manager's Quality Certificate

I, Charl Du Plessis, Municipal Manager of Kouga Local Municipality hereby certify that the monthly budget statements have been prepared in accordance with the Municipal Finance Management act and regulations made under the Act, and that monthly budget statements are consistent with the Integrated Development Plan of the municipality.

Print Name _Charl Du Plessis

Municipal Manager of Kouga Local Municipal

Signature..... 

Date..... 14 April 2023

Annexure "A1"

OVERVIEW OF OPERATING REVENUE AND EXPENDITURE PERFORMANCE FOR THE PERIOD JULY TO MARCH 2023.

Summary Statement of Financial Performance

Description	Budget Year 2022/23					
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance
R thousands						
Total Revenue (excluding capital transfers and contributions)	1,052,961	1,056,307	114,037	820,838	852,236	(31,398)
Total Expenditure	1,163,909	1,178,064	79,929	745,428	911,900	(166,472)
Surplus/(Deficit)	(110,948)	(121,757)	34,108	75,410	(59,665)	135,075

The statement of financial performance reflects an operating surplus of R75,410 million.

Revenue

Main revenue sources for 2022/23

Description	2022/23 Financial Year		
	Adjusted Budget	YearTD actual	%
R thousands			
Revenue By Source			
Property rates	236,747	209,337	88.42%
Service charges - electricity revenue	350,201	225,584	64.42%
Service charges - water revenue	88,580	71,707	80.95%
Service charges - sanitation revenue	59,450	46,364	77.99%
Service charges - refuse revenue	62,269	46,879	75.28%
Rental of facilities and equipment	2,865	2,108	73.56%
Interest earned - external investments	3,057	3,918	128.17%
Interest earned - outstanding debtors	20,106	17,788	88.48%
Fines, penalties and forfeits	6,484	7,877	121.49%
Licences and permits	8,397	8,511	101.36%
Agency services	5,352	672	12.55%
Transfers and subsidies	177,920	172,271	96.82%
Other revenue	34,880	7,822	22.43%
Total Revenue (excluding capital transfers and contributions)	1,056,307	820,838	77.71%

Reasons for major over-/under-recovery per revenue source

- **Property Rates**

As at 31 March 2023, the municipality has recognised 88.42% of property rates revenue, compared to the budget. This is influenced by annual property rates raised in July 2022.

- **Interest earned – external investments.**

the interest earned on external investments is largely influenced by the municipality's investment portfolio, currently amounts to R 168,517 million.

- **Interest earned – outstanding debtors.**

The interest earned on outstanding debtors is largely influenced by the municipality's overdue debtors, currently amounts to R 322,696 million.

- **Fines, penalties, and forfeits**

Fines, penalties, and forfeits are largely influenced by higher than anticipated revenue from traffic fines. The municipality has appointed a service provider for traffic infringements.

- **Licences and permits.**

Licence and permits mostly relates to motor registrations and is influenced by the extent of vehicle registrations.

- **Agency Services**

Agency services relate to the Department of Transport, commission received by the municipality as an acting agency for the collection of motor registration licences and other drivers' licences and permits.

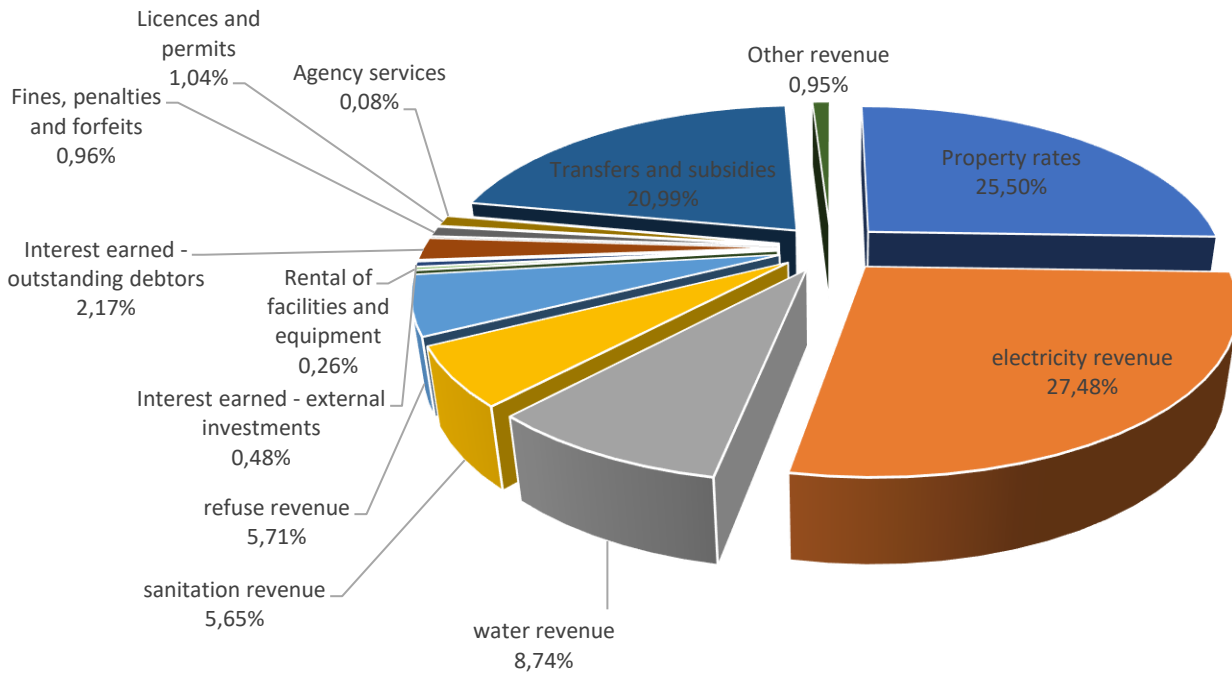
- **Transfers and subsidies**

Transfers and subsidies are largely influenced by the equitable share allocation received on 15 March 2023 amounting to R 45,723 million.

- **Other revenue**

Other revenue is largely influenced by the R 23,085 million housing refund not yet received.

Revenue By Source



Expenditure

Main expenditure types for 2022/23

Description	2022/23 Financial Year		
	Adjusted Budget	YearTD actual	%
R thousands			
<u>Expenditure By Type</u>			
Employee related costs	409,379	264,033	64.50%
Remuneration of councillors	14,364	10,731	74.70%
Debt impairment	40,868	7,115	17.41%
Depreciation & asset impairment	103,850	77,888	75.00%
Finance charges	2,875	1,787	62.14%
Bulk purchases - electricity	325,900	220,491	67.66%
Inventory consumed	88,672	63,245	71.33%
Contracted services	98,628	46,823	47.47%
Transfers and subsidies	725	425	58.62%
Other expenditure	92,802	52,890	56.99%
Total Expenditure	1,178,064	745,428	63.28%

Reasons for major over-/under expenditure per type

- **Debt impairment**
Bad debts are written off upon Council approval.

- **Finance charges**

finance charges relate to the new finance lease for vehicles and is based on the finance lease amortisation schedule.

- **Bulk purchases (Electricity)**

Description	Budget Year 2022/23		
	Approved Adjusted Budget	YearTD actual	%
R thousands			
Bulk purchases – Electricity	325 900 000	220 491 358	67,66%
	325 900 000	220 491 358	67,66%

- **Transfers and subsidies**

Transfers and subsidies relate to grant-in-aid given by the municipality to various non-profit organisations, in line with the Council approved grant-in-aid policy.

- **Other materials**

Other materials relate to the inventory items, such as bulk water purchases, materials and supplies, printing and stationery, fuel and oil etc.

the bulk water purchases is as follows:

Description	Budget Year 2022/23		
	Approved Adjusted Budget	YearTD actual	%
R thousands			
Bulk purchases – Water	42,556,000	27,762,625	65.24%
	42,556,000	27,762,625	65.24%

- **Contracted Services**

Contracted services mostly relate to outsourced work, in relation to the maintenance of municipal infrastructure assets and includes consultation fees.

Contracted services are broken down as follows:

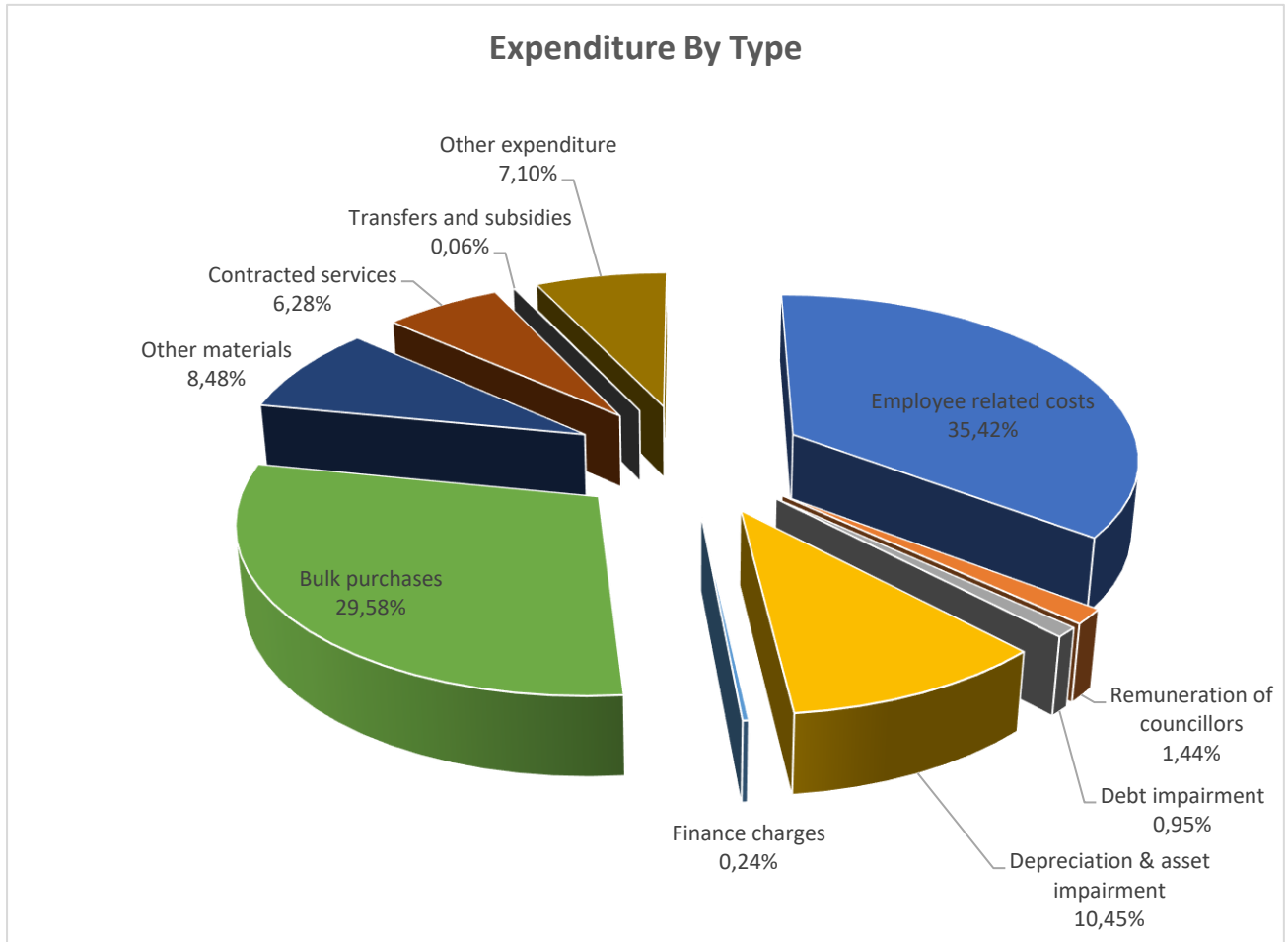
Item Description	Adjusted Budget 2022/23	Actuals as at 31 March 2023	%
Amanzi Challenge National Tournament	300,000	300,000	100.00%
Animal Care	485,000	428,022	88.25%
Audit of Municipal Land & Properties	300,000	-	0.00%
Boreholes Investigation - Thornhill	1,205,000	23,547	1.95%
Burial Services	30,000	1,050	3.50%
Calamari Festival	200,000	200,000	100.00%
Catering Services	826,823	479,295	57.97%
Clearing and Grass Cutting Services	1,750,000	1,299,173	74.24%
Concours Sur Mesure	250,000	250,000	100.00%
Consultants and Professional Services	6,350,715	2,661,211	41.90%
Destination Marketing and Promotion	320,000	7,049	2.20%
Drivers Licence Cards	500,000	404,717	80.94%
Dune Stabilisation	1,200,000	487,925	40.66%
Electricity Generation Project	1,200,000	-	0.00%
Employee Wellness	421,000	190,824	45.33%
ERF554 SUB DIVISION AND REZONING	200,000	-	0.00%
Event Promoters	100,000	31,448	31.45%
FMG-Data cleansing	525,315	-	0.00%
Hankey Precinct Plan Development	985,000	320,570	32.55%
Housing Panel of Professional Team	330,000	68,914	20.88%
Internal Auditors	255,000	29,095	11.41%
Ironman Tournament	165,000	-	0.00%
KLTO	300,000	300,000	100.00%
Kouga Tourism Indaba	364,280	101,909	27.98%
Laboratory Services:Water	2,640,000	1,220,925	46.25%
Land Availability and Readiness for Strategic Projects	200,000	-	0.00%
Land Valuations, Surveyor & Planning Services	150,000	19,613	13.08%
Legal Advice and Litigation	5,400,000	2,774,037	51.37%
Legal Cost:Collection	600,000	524,887	87.48%
Litter Picking and Street Cleaning	400,000	375,670	93.92%
Maintenance of Buildings and Facilities	6,257,000	4,091,104	65.38%
Maintenance of Electrical Infrastructure	3,140,517	2,095,900	66.74%
Maintenance of Equipment	765,100	279,872	36.58%
Maintenance of Sanitation Infrastructure	2,700,256	1,419,921	52.58%
Maintenance of Vehicles	7,784,584	4,584,266	58.89%
Maintenance of Water Infrastructure	891,210	662,516	74.34%
Media Monitoring	50,000	-	0.00%
Occupational Health and Safety	1,507,850	650,524	43.14%
Other Contracted Services	1,591,550	1,327,729	83.42%
Payroll data cleansing	1,100,000	214,788	19.53%
Personnel and Labour	13,704,869	5,571,776	40.66%
PM: Special Projects	50,000	-	0.00%
Qualification Verification	600,000	446,255	74.38%
Roads Maintenance	10,440,673	229,366	2.20%
Security Services	3,901,600	3,722,519	95.41%
Special Rating Area	9,270,034	6,626,556	71.48%
Summer Festival	630,000	500,000	79.37%
Township Events	150,000	150,000	100.00%
Transport Services	440,000	126,091	28.66%
Valuer	3,600,000	1,493,804	41.49%
Winterfest	1,600,000	130,000	8.13%
Yellow Wood Annual Jazz Festival	500,000	-	0.00%
Total	98,628,376	46,822,867	47.47%

- **Other Expenditure**

The other expenditure is broken down as follows:

Item Description	Adjusted Budget 2022/23	Actuals as at 31 March 2023	%
Achievements and Awards	3,737,000	2,969,707	79.47%
Advertising, Publicity and Marketing	3,116,000	1,831,793	58.79%
Bank Charges	900,000	835,500	92.83%
Bargaining Council	3,913,185	-	0.00%
Cellular Contract (Subscription and Calls)	2,896,864	1,860,282	64.22%
Claims paid to Third Parties	300,000	108,873	36.29%
External Audit Fees	4,500,000	3,786,834	84.15%
External Computer Service:Internet Charge	6,942,977	3,272,133	47.13%
Hire Charges	14,812,500	4,846,586	32.72%
Insurance Claims	1,200,000	773,822	64.49%
Insurance Underwriting:Premiums	3,945,026	3,639,828	92.26%
Leases:Furniture and Office Equipment	2,971,216	2,213,353	74.49%
Leases:Other Assets	3,963,740	3,149,475	79.46%
Motor Vehicle Licence and Registrations	1,605,030	609,717	37.99%
Other	1,047,837	274,702	26.22%
Postage/Stamps/Frinking Machines	2,319,000	1,603,506	69.15%
Printing, Publications and Books	1,201,725	685,964	57.08%
Registration Fees:Professional and Regulatory Bodies	373,225	115,227	30.87%
Registration Fees:Seminars, Conferences, Workshops	2,555,117	1,046,583	40.96%
Remuneration to Ward Committees	2,241,923	2,433,648	108.55%
Riparian Levies	6,280,241	4,103,201	65.34%
Signage	515,518	212,149	41.15%
Skills Development Fund Levy	3,398,919	2,641,902	77.73%
Software Licences	3,196,800	1,242,375	38.86%
Storage of Files (Archiving)	100,000	24,070	24.07%
Supplier Development Programme	24,301	24,300	100.00%
Third Party Vendors	5,500,000	2,746,323	49.93%
Travel and Subsistence	2,810,896	1,394,236	49.60%
Uniform and Protective Clothing	3,904,459	2,293,044	58.73%
Vehicle Tracking	754,565	670,395	88.85%
Workmen's Compensation Fund	1,774,003	1,480,293	83.44%
Total	92,802,067	52,889,823	56.99%

Expenditure By Type



Repairs and Maintenance

Below is an analysis of actual repairs and maintenance expenditure, compared to the 2022/23 Approved Adjusted Budget.

Item Description	Budget Year 2022/23		
	Adjusted Budget	Actuals as at 31 March 2023	%
Maintenance of Equipment	1,205,100	673,124	55.86%
Maintenance of Vehicles	9,154,159	5,872,640	64.15%
Maintenance of Buildings and Facilities	5,105,960	3,665,212	71.78%
Maintenance of Water Infrastructure	4,774,537	3,904,183	81.77%
Roads Maintenance	14,204,448	1,178,970	8.30%
Sport and Recreation Facilities	1,490,000	1,171,457	78.62%
Maintenance of Electrical Infrastructure	7,700,000	5,481,020	71.18%
Maintenance of Sanitation Infrastructure	3,865,256	2,196,242	56.82%
Hire Charges	4,133,400	489,852	11.85%
Total	51,632,860	24,632,699	47.71%

It is to be noted that actual repairs and maintenance expenditure constituted 47.71% of the 2022/23 Approved Adjusted Budget.

Annexure “A2”

CAPITAL BUDGET PERFORMANCE

Vote Description	Budget Year 2022/23							
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands							%	
Funded by:								
National Government	29,649	79,562	17,262	44,545	60,802	(16,257)	-27%	79,562
Provincial Government	-	-	-	-	-	-	-	-
District Municipality	1,638	1,638	-	-	1,638	(1,638)	-100%	1,638
Other transfers and grants	-	-	-	-	-	-	-	-
Transfers recognised - capital	31,287	81,200	17,262	44,545	62,440	(17,895)	-29%	81,200
Public contributions & donations	-	-	-	-	-	-	-	-
Borrowing	-	10,104	-	8,786	7,578	1,208	16%	10,104
Internally generated funds	8,398	16,679	268	7,326	12,509	(5,183)	-41%	16,679
Total Capital Funding	39,685	107,983	17,531	60,658	82,527	(21,869)	-26%	107,983

Summary Capital Expenditure and Funding

The capital expenditure as at 31 March 2023, constituted 56.17% of approved adjusted capital budget and the funding is broken down as follows:

- Grant funding is 54.86% of approved adjusted grant funding budget.
- Internally generated funds are 43.93% of approved adjusted internal funds budget.

Capital budget by municipal vote for 2022/23

Vote Description	Budget Year 2022/23				
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	%
R thousands					
Multi-Year expenditure appropriation					
Vote 1 - EXECUTIVE COUNCIL	750	1,223	31	127	10.37%
Vote 2 - FINANCIAL SERVICES	1,730	980	4,155	111	11.36%
Vote 3 - CORPORATE SERVICES		1,740	42	1,092	62.74%
Vote 4 - COMMUNITY SERVICES	1,638	12,444	(39)	8,961	72.01%
Vote 5 - INFRASTRUCTURE AND ENGINEERING	35,567	89,179	17,460	50,003	56.07%
Vote 6 - PLANNING DEVELOPMENT AND TOURISM	-	2,417	-	364	15.06%
Total Capital Multi-year expenditure	39,685	107,983	17,531	60,658	56.17%

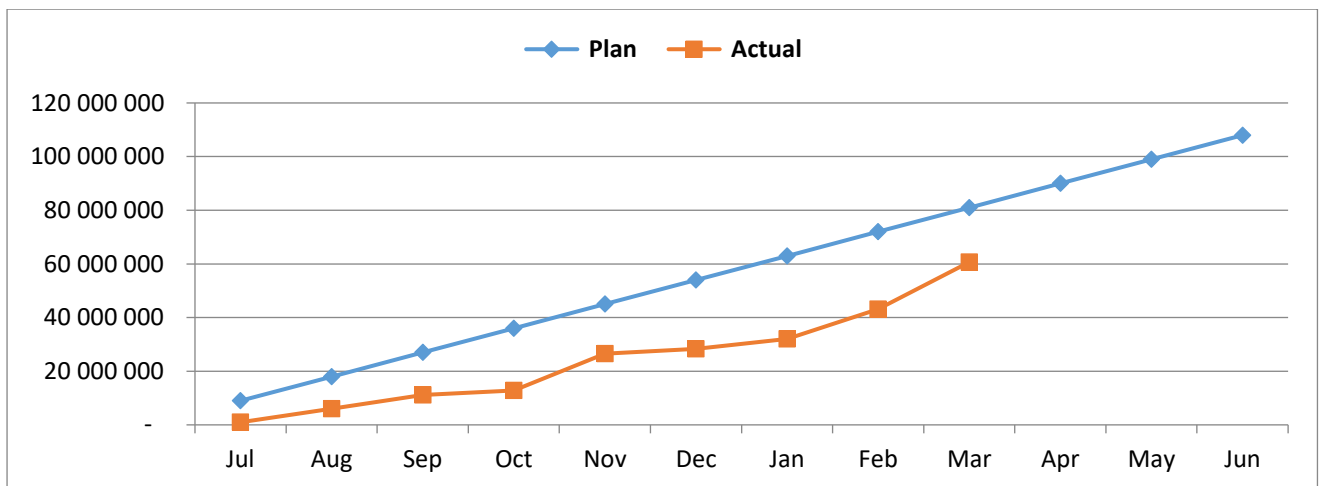
The capital expenditure as at 31 March 2023, constituted 56.17% of approved adjusted capital budget.

The capital expenditure is broken down per directorate as follows:

- Executive & Council is 10.37% of R 1,223 million budget.
- Financial Services is 11.36% of R 0,980 million budget.
- Corporate Services is 62.74% of R 1,740 million budget.
- Community Services is 72.01% of R 12,444 million budget.
- Infrastructure & Engineering is 56.07% of R 89,179 million budget.
- Planning Development and Tourism is 15.06% of R0,336 million budget.

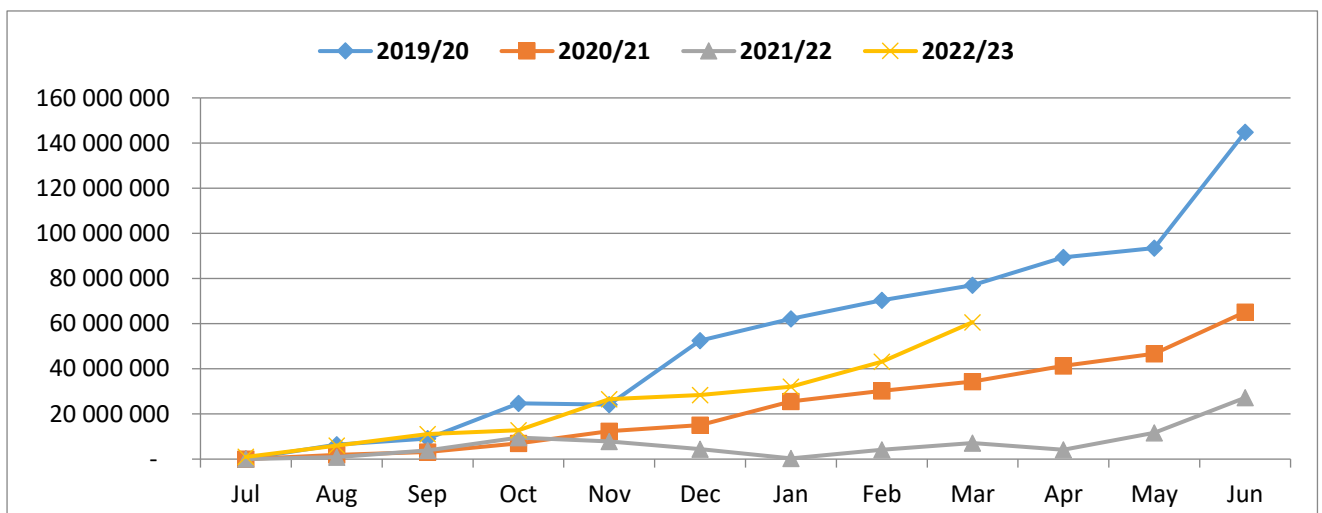
Monthly capital expenditure

The graph below reflects the municipality's monthly capital expenditure to date measured against the 2022/23 current budget.



Capital expenditure trend over the current- and past two years.

The graph below shows the municipality's capital expenditure trend for 2019/20, 2020/21, 2021/22 and 2022/23.



Status of capital programmes/projects in the Municipality as at 31 March 2023.

DIRECTORATES	DEPARTMENT	FUNDING	PROJECTS	Adjusted Budget 2022/23	Actuals as at 31 March 2023	%
	COMMUNITY SERVICES					
COMMUNITY SERVICES	CARAVAN PARKS & CAMPING SITES	Internal	Furniture and Office Equipment	160,000	58,951	36.84%
COMMUNITY SERVICES	FIRE SERVICES	DISTRICT	Fire Vehicle	1,638,000	-	0.00%
COMMUNITY SERVICES	LAW ENFORCEMENT	Internal	Machinery & Equipment - Radio Communication	58,270	19,621	33.67%
COMMUNITY SERVICES	LAW ENFORCEMENT	Internal	Transport Assets - Quardbike	95,598	82,698	86.51%
COMMUNITY SERVICES	LAW ENFORCEMENT	Internal	Computer Equipment	387,811	12,942	3.34%
COMMUNITY SERVICES	WASTE SERVICES	Finance lease	Vehicles	6,110,930	5,313,852	86.96%
COMMUNITY SERVICES	WASTE SERVICES	Finance lease	Vehicles	3,993,476	3,472,588	86.96%
				12,444,085	8,960,652	72.01%
	CORPORATE SERVICES					
CORPORATE SERVICES	INFORMATION TECHNOLOGY	Internal	Computer Equipment	1,520,000	1,040,092	68.43%
CORPORATE SERVICES	Corporate Services	Internal	Furniture and Equipment	-	10,000	0.00%
CORPORATE SERVICES	INFORMATION TECHNOLOGY	Internal	Inverters	200,000	41,600	20.80%
CORPORATE SERVICES	INFORMATION TECHNOLOGY	Internal	Local Server Storage Space	20,000	-	0.00%
				1,740,000	1,091,692	62.74%
	EXECUTIVE & COUNCIL					
EXECUTIVE & COUNCIL	MAYOR	Internal	Municipal Court - Office equipment	250,000	-	0.00%
EXECUTIVE & COUNCIL	MAYORAL COMMITTEE	Internal	Furniture and Equipment - Ward Councillors Offices	150,000	1,892	-1.26%
EXECUTIVE & COUNCIL	MUNICIPAL MANAGER OFFICE	Internal	Furniture and equipment	50,000	-	0.00%
EXECUTIVE & COUNCIL	Risk and Internal Audit Unit	Internal	Furniture and equipment	22,819	21,430	93.91%
EXECUTIVE & COUNCIL	WARD COUNCILLORS	Internal	Ward councilors Capital project	750,000	107,296	14.31%
				1,222,819	126,834	10.37%
	FINANCE					
FINANCE	ASSET MANAGEMENT	Internal	AIR CONDITIONERS-WHOLE OF MUNICIPALITY	500,000	68,127	13.63%
FINANCE	ASSET MANAGEMENT	Internal	Furniture and equipment	30,000	13,790	45.97%
FINANCE	EXPENDITURE	Internal	Furniture and equipment	30,000	29,372	97.91%
FINANCE	EXPENDITURE	Internal	Computer Equipment	150,000	-	0.00%
FINANCE	REVENUE	Internal	Furniture and equipment	20,000	-	0.00%
FINANCE	STORES	Internal	Refurbishment of stores building	250,000	-	0.00%
				980,000	111,290	11.36%

DIRECTORATES	DEPARTMENT	FUNDING	PROJECTS	Adjusted Budget 2022/23	Actuals as at 31 March 2023	%
	INFRASTRUCTURE & ENGINEERING					
INFRASTRUCTURE & ENGINEERING	Electricity	Internal	Saffery Substation	1,573,347	1,077,183	68.46%
INFRASTRUCTURE & ENGINEERING	Electricity	Internal	Machinery and Equipment	125,000	-	0.00%
INFRASTRUCTURE & ENGINEERING	METERING & REVENUE	Internal	Bulk 66kv Overhead lines	165,068	170,091	103.04%
INFRASTRUCTURE & ENGINEERING	PROJECT MANAGEMENT UNIT (PMU)	MIG	Upgrading of Sports Facilities	4,521,739	834,792	18.46%
INFRASTRUCTURE & ENGINEERING	PROJECT MANAGEMENT UNIT (PMU)	Internal	Upgrading/Improvement of Sport Facilities within Kouga	1,080,555	180,312	16.69%
INFRASTRUCTURE & ENGINEERING	PROJECT MANAGEMENT UNIT (PMU)	Internal	Mini Fresh Food and Craft Markets in Jbay & Hankey	400,000	-	0.00%
INFRASTRUCTURE & ENGINEERING	Public Works	Internal	Machinery and Equipment	125,000	-	0.00%
INFRASTRUCTURE & ENGINEERING	ROADS AND STORMWATER	MIG	Upgrading of Gravel Roads in Humansdorp	11,552,470	11,431,803	98.96%
INFRASTRUCTURE & ENGINEERING	Sewerage	Internal	New bypass Sewer Rising Main and Pump Stations Jba	450,000	-	0.00%
INFRASTRUCTURE & ENGINEERING	Sewerage	Internal	Upgrade Sewer Rising Mains Jbay (La Mer-4A-4B) Pre	160,000	-	0.00%
INFRASTRUCTURE & ENGINEERING	Sewerage	Internal	Piped Reticulation - St Francis Bay	110,000	-	0.00%
INFRASTRUCTURE & ENGINEERING	Sewerage	MIG	Upgrade Sanitation System Old Hankey	13,574,877	5,308,961	39.11%
INFRASTRUCTURE & ENGINEERING	SEWERAGE	Internal	Upgrade Loerie sewer pump station	80,000	-	0.00%
INFRASTRUCTURE & ENGINEERING	Sewerage	Internal	Machinery and Equipment	125,000	-	0.00%
INFRASTRUCTURE & ENGINEERING	Sewerage	Internal	Koraal street overflow pond project	300,000	-	0.00%
INFRASTRUCTURE & ENGINEERING	Water	Internal	Repair Leaking Concrete Water Tower Paradise Beach	100,000	-	0.00%
INFRASTRUCTURE & ENGINEERING	Water	Internal	Replace 250mm Water Main Mimosa Street Jbay	60,000	-	0.00%
INFRASTRUCTURE & ENGINEERING	Water	Internal	Replace Main Waterline South Rivier Bridge Crossing	110,000	-	0.00%
INFRASTRUCTURE & ENGINEERING	Water	Internal	Machinery and Equipment	125,000	-	0.00%
INFRASTRUCTURE & ENGINEERING	WATER	Internal	Connect 4 x drilled boreholes to treatment works	819,941	604,311	73.70%
INFRASTRUCTURE & ENGINEERING	Water	Internal	Replace 250mm Water Main Canal Road St Francis Bay	65,000	-	0.00%
INFRASTRUCTURE & ENGINEERING	WATER	Internal	WATER TANKS JEFFREYS BAY - DROUGHT PROJECT	388,060	385,834	99.43%
INFRASTRUCTURE & ENGINEERING	WATER	Internal	Connecting Kruisfontein Boreholes to Humansdorp Water	3,255,369	3,040,728	93.41%
INFRASTRUCTURE & ENGINEERING	WATER	WSIG	HUMANSDORP BOREHOLE 7	3,043,478	-	0.00%
INFRASTRUCTURE & ENGINEERING	WATER	WSIG	ST FRANCIS BAY: BOREHOLES	3,565,217	1,553,120	43.56%
INFRASTRUCTURE & ENGINEERING	WATER	WSIG	THORNHILL: GROUNDWATER DEVELOPMENT	2,869,565	575,773	20.06%
INFRASTRUCTURE & ENGINEERING	WATER	WSIG	HANKEY: BOREHOLES	3,304,348	-	0.00%
INFRASTRUCTURE & ENGINEERING	WATER	WSIG	LOERIE: GROUNDWATER DEVELOPMENT	2,956,522	1,266,073	42.82%
INFRASTRUCTURE & ENGINEERING	WATER	WSIG	HUMANSDORP: KRUISFONTEIN: BOREHOLES	12,260,870	9,557,813	77.95%
INFRASTRUCTURE & ENGINEERING	WATER	WSIG	ST FRANCIS BAY: WATER TREATMENT WORKS	5,130,435	727,556	14.18%
INFRASTRUCTURE & ENGINEERING	WATER	WSIG	HUMANSDORP :WATER TREATMENT WORKS	7,130,435	5,984,575	83.93%
INFRASTRUCTURE & ENGINEERING	WATER	WSIG	HANKEY: WATER TREATMENT WORKS	3,217,391	1,446,564	44.96%
INFRASTRUCTURE & ENGINEERING	WATER	WSIG	JEFFREYS BAY: NEW OXIDATION WATER TREATMENT PLANT	6,434,783	5,857,967	91.04%
				89,179,470	50,003,456	56.07%
	PLANNING, DEVELOPMENT & TOURISM					
PLANNING, DEVELOPMENT & TOURISM	LOCAL ECONOMIC DEVELOPMENT	Internal	Kouga Business Support Centre	364,985	364,985	100.00%
PLANNING, DEVELOPMENT & TOURISM	Planning & Development	Internal	Computer Software and Applications	32,000	1,103	-3.45%
PLANNING, DEVELOPMENT & TOURISM	Planning & Development	Internal	Computer Equipment	20,000	-	0.00%
PLANNING, DEVELOPMENT & TOURISM	Planning & Development	Internal	Implementation of the Jeffery bay CBD Precinct plan	2,000,000	-	0.00%
				2,416,985	363,883	15.06%
			Total	107,983,359	60,657,806	56.17%

PROJECTED CASH FLOW STATEMENT FOR THE 2022/23 FINANCIAL YEAR

Projected Cash Flow Statement as at 31 March 2023

The purpose of the cash flow statement is to compare the cash inflows (receipts) with the cash outflows (payments), so as to ascertain the adequacy of the cash inflows to cover the cash outflows.

Table C7 Monthly Budget Statement – Cash Flow – M09 March 2023

Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		490,993	230,449	227,440	17,738	193,281	170,580	22,701	13%	227,440
Service charges		238,396	652,478	628,917	43,988	379,776	471,688	(91,911)	-19%	628,917
Other revenue		22,231	57,445	101,036	14,205	118,014	75,777	42,237	56%	101,036
Transfers and Subsidies - Operational		147,988	177,920	177,920	46,075	176,511	133,440	43,071	32%	177,920
Transfers and Subsidies - Capital		-	35,734	93,134	27,915	73,569	69,851	3,718	5%	93,134
Interest		841,486	2,811	3,057	3,073	21,781	2,293	19,488	850%	3,057
Dividends		-	-	-	-	-	-	-	-	-
Payments										
Suppliers and employees		145,625	(1,115,817)	(1,140,765)	(62,302)	(745,126)	(855,574)	(110,448)	13%	(1,140,765)
Finance charges		-	-	-	-	-	-	-	-	-
Transfers and Grants		-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		1,886,718	41,019	90,740	90,692	217,806	68,055	(149,751)	-220%	90,740
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-
Payments										
Capital assets		(30,649)	(39,685)	(97,879)	(20,160)	(67,844)	(73,409)	(5,565)	8%	(97,879)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(30,649)	(39,685)	(97,879)	(20,160)	(67,844)	(73,409)	(5,565)	8%	(97,879)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		2,899	-	-	-	-	-	-	-	-
Payments										
Repayment of borrowing		250	-	(12,169)	(1,208)	(9,296)	(9,127)	169	-2%	(12,169)
NET CASH FROM/(USED) FINANCING ACTIVITIES		3,149	-	(12,169)	(1,208)	(9,296)	(9,127)	169	-2%	(12,169)
NET INCREASE/ (DECREASE) IN CASH HELD		1,859,218	1,334	(19,308)	69,324	140,666	(14,481)			(19,308)
Cash/cash equivalents at beginning:		53,394	4,105	27,851		27,851	27,851			27,851
Cash/cash equivalents at month/year end:		1,912,613	5,439	8,542		168,517	13,369			8,542

MUNICIPAL MONTHLY BUDGET TABLES

1. MONTHLY BUDGET TABLES

The seven main budget tables, as required in terms of the Municipal Budget and Reporting Regulations, are included in this section of the report. These tables set out the Municipality's 2022/23 budget performance for the period of March 2023 and are to be noted. Each table is accompanied by explanatory notes.

Table C1 Monthly Budget Statement Summary – M09 March 2023

Description	2021/22	Budget Year 2022/23							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	224,326	240,849	236,747	16,203	209,337	195,215	14,121	7%	236,747
Service charges	521,775	586,820	560,501	44,608	390,534	420,375	(29,841)	-7%	560,501
Investment revenue	3,225	2,811	3,057	736	3,918	2,293	1,625	71%	3,057
Transfers and subsidies	153,880	177,920	177,920	46,773	172,271	175,948	(3,677)	-2%	177,920
Other own revenue	57,634	44,562	78,082	5,718	44,777	58,404	(13,627)	-23%	78,082
Total Revenue (excluding capital transfers and contributions)	960,840	1,052,961	1,056,307	114,037	820,838	852,236	(31,398)	-4%	1,056,307
Employee costs	339,392	391,318	409,379	27,714	264,033	310,944	(46,911)	-15%	409,379
Remuneration of Councillors	13,395	14,364	14,364	1,140	10,731	10,773	(42)	-0%	14,364
Depreciation & asset impairment	100,082	103,850	103,850	8,654	77,888	103,769	(25,882)	-25%	103,850
Finance charges	4,662	-	2,875	240	1,787	2,156	(370)	-17%	2,875
Materials and bulk purchases	388,268	400,548	414,572	27,735	283,737	310,703	(26,966)	-9%	414,572
Transfers and subsidies	458	400	725	100	425	644	(219)	-34%	725
Other expenditure	239,115	253,428	232,298	14,345	106,828	172,911	(66,083)	-38%	232,298
Total Expenditure	1,085,372	1,163,909	1,178,064	79,929	745,428	911,900	(166,472)	-18%	1,178,064
Surplus/(Deficit)	(124,532)	(110,948)	(121,757)	34,108	75,410	(59,665)	135,075	-226%	(121,757)
Transfers and subsidies - capital (monetary allocations)	60,630	35,734	93,134	3,810	32,962	78,784	(45,822)	-58%	93,134
Contributions & Contributed assets	20	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(63,881)	(75,214)	(28,623)	37,918	108,373	19,120	89,253	467%	(28,623)
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	(63,881)	(75,214)	(28,623)	37,918	108,373	19,120	89,253	467%	(28,623)
Capital expenditure & funds sources									
Capital expenditure	109,271	39,685	107,983	17,531	60,658	82,527	(21,869)	-26%	107,983
Capital transfers recognised	50,769	31,287	81,200	17,262	44,545	62,440	(17,895)	-29%	81,200
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	-	-	10,104	-	8,786	7,578	1,208	16%	10,104
Internally generated funds	58,431	8,398	16,679	268	7,326	12,509	(5,183)	-41%	16,679
Total sources of capital funds	109,200	39,685	107,983	17,531	60,658	82,527	(21,869)	-26%	107,983
Financial position									
Total current assets	236,368	132,996	147,079		250,052				147,079
Total non current assets	2,329,223	2,253,988	2,332,762		2,317,272				2,332,762
Total current liabilities	250,795	154,904	154,913		177,856				154,913
Total non current liabilities	237,656	191,375	243,359		240,171				243,359
Community wealth/Equity	1,914,840	2,040,704	2,081,569		2,149,297				2,081,569
Cash flows									
Net cash from (used) operating	1,886,718	41,019	90,740	90,692	217,806	68,055	(149,751)	-220%	90,740
Net cash from (used) investing	(30,649)	(39,685)	(97,879)	(20,160)	(67,844)	(73,409)	(5,565)	8%	(97,879)
Net cash from (used) financing	3,149	-	(12,169)	(1,208)	(9,296)	(9,127)	169	-2%	(12,169)
Cash/cash equivalents at the month/year end	1,912,613	5,439	8,542	-	168,517	13,369	(155,148)	-1160%	8,542
Debtors & creditors analysis	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	-	-	-	-	-	-	-	-	-
Creditors Age Analysis									
Total Creditors	-	-	-	-	-	-	-	-	-

Explanatory notes to Table C 1 – Monthly Budget Summary

The aim of the Budget Summary is to provide a concise overview of the actual budget performance from all of the major financial perspective (operating expenditure, capital expenditure, financial position, cash flow, and MFMA funding compliance).

The table provides an overview of the actual amounts spent compared to the monthly budget projections within the context of operating performance, resources utilised for capital expenditure, financial position, cash and funding compliance.

Table C2 Monthly Budget Statement – Financial Performance (standard classification) – M09 March 2023

Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Revenue - Functional										
Governance and administration		343,844	361,880	361,779	65,280	381,078	315,865	65,213	21%	361,779
Executive and council		509	342	109	(150)	2,588	82	2,507	3072%	109
Finance and administration		343,335	361,539	361,670	65,431	378,490	315,783	62,707	20%	361,670
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		15,171	16,365	39,035	1,199	11,411	30,073	(18,662)	-62%	39,035
Community and social services		2,469	2,508	2,476	32	2,336	2,369	(33)	-1%	2,476
Sport and recreation		7,082	9,017	8,639	396	6,419	6,359	60	1%	8,639
Public safety		1,654	1,652	1,648	2	1,004	1,646	(642)	-39%	1,648
Housing		987	-	23,085	-	-	17,314	(17,314)	-100%	23,085
Health		2,979	3,187	3,187	768	1,652	2,385	(733)	-31%	3,187
Economic and environmental services		16,268	38,750	40,282	1,003	9,449	31,680	(22,231)	-70%	40,282
Planning and development		7,525	6,754	8,367	575	3,719	6,724	(3,005)	-45%	8,367
Road transport		7,341	6,527	6,544	284	4,338	5,202	(863)	-17%	6,544
Environmental protection		1,402	25,469	25,371	144	1,391	19,755	(18,363)	-93%	25,371
Trading services		646,208	671,701	708,345	50,365	451,862	553,402	(101,540)	-18%	708,345
Energy sources		342,583	379,734	358,564	23,341	226,866	270,617	(43,750)	-16%	358,564
Water management		119,239	114,284	173,181	13,323	104,284	134,892	(30,609)	-23%	173,181
Waste water management		106,057	109,397	107,155	8,106	69,395	91,465	(22,070)	-24%	107,155
Waste management		78,329	68,285	69,446	5,596	51,317	56,428	(5,111)	-9%	69,446
Other	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	1,021,491	1,088,696	1,149,441	117,847	853,800	931,020	(77,220)	-8%	1,149,441
Expenditure - Functional										
Governance and administration		102,810	252,416	286,371	20,593	169,855	216,438	(46,583)	-22%	286,371
Executive and council		49,469	54,099	59,164	5,437	38,976	43,985	(5,008)	-11%	59,164
Finance and administration		53,322	198,047	226,814	15,151	130,833	172,165	(41,332)	-24%	226,814
Internal audit		20	270	393	5	46	288	(242)	-84%	393
Community and public safety		96,429	111,512	115,451	8,060	73,632	87,650	(14,019)	-16%	115,451
Community and social services		9,661	12,180	12,097	726	6,304	9,272	(2,968)	-32%	12,097
Sport and recreation		50,545	56,704	60,299	4,190	38,375	45,644	(7,269)	-16%	60,299
Public safety		25,178	28,610	28,838	2,162	19,712	22,047	(2,335)	-11%	28,838
Housing		5,149	6,627	6,794	453	3,809	5,093	(1,284)	-25%	6,794
Health		5,896	7,391	7,422	529	5,431	5,595	(164)	-3%	7,422
Economic and environmental services		121,395	163,774	152,872	9,483	84,724	126,129	(41,406)	-33%	152,872
Planning and development		36,880	29,222	27,349	2,095	16,983	20,695	(3,713)	-18%	27,349
Road transport		81,947	111,957	110,694	6,444	61,545	94,515	(32,970)	-35%	110,694
Environmental protection		2,568	22,594	14,828	945	6,196	10,919	(4,724)	-43%	14,828
Trading services		761,141	629,886	617,106	41,219	414,045	476,960	(62,915)	-13%	617,106
Energy sources		351,548	408,286	382,969	21,914	248,537	289,398	(40,861)	-14%	382,969
Water management		182,571	99,688	105,544	8,874	67,740	83,212	(15,472)	-19%	105,544
Waste water management		103,908	71,306	73,260	5,014	54,903	61,933	(7,030)	-11%	73,260
Waste management		123,115	50,606	55,334	5,417	42,864	42,417	448	1%	55,334
Other		3,725	6,322	6,264	573	3,173	4,723	(1,550)	-33%	6,264
Total Expenditure - Functional	3	1,085,500	1,163,909	1,178,064	79,929	745,428	911,900	(166,472)	-18%	1,178,064
Surplus/ (Deficit) for the year		(64,009)	(75,214)	(28,623)	37,918	108,373	19,120	89,253	467%	(28,623)

Explanatory notes to Table C2 – Budgeted Financial Performance (revenue and expenditure by standard classification)

The standard classification refers to a modified Government Finance Statistics (GFS) reporting structure. The aim of the standard classification approach is to ensure that all municipalities report their operations in one common format, to facilitate comparison across all municipalities.

Table C3 Monthly Budget Statement – Financial Performance (revenue and expenditure by municipal vote – M09 March 2023

Vote Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue by Vote										
Vote 1 - EXECUTIVE COUNCIL	1	354	-	0	(154)	2,318	-	2,318	#DIV/0!	0
Vote 2 - FINANCIAL SERVICES		336,669	358,424	353,977	63,608	368,510	310,014	58,497	18.9%	353,977
Vote 3 - CORPORATE SERVICES		808	975	947	4	756	710	45	6.4%	947
Vote 4 - COMMUNITY SERVICES		105,509	117,205	122,144	9,035	74,701	97,474	(22,773)	-23.4%	122,144
Vote 5 - INFRASTRUCTURE AND ENGINEERING		572,011	607,132	642,716	44,929	403,336	500,579	(97,243)	-19.4%	642,716
Vote 6 - PLANNING DEVELOPMENT AND TOURISM		6,009	4,960	29,657	426	4,180	22,243	(18,063)	-81.2%	29,657
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	1,021,360	1,088,696	1,149,441	117,847	853,800	931,020	(77,220)	-8.3%	1,149,441
Expenditure by Vote										
Vote 1 - EXECUTIVE COUNCIL	1	53,373	58,894	64,922	6,305	42,783	48,334	(5,551)	-11.5%	64,922
Vote 2 - FINANCIAL SERVICES		(33,762)	98,012	106,750	6,944	60,082	80,899	(20,816)	-25.7%	106,750
Vote 3 - CORPORATE SERVICES		52,164	43,088	60,740	3,225	27,601	45,601	(18,001)	-39.5%	60,740
Vote 4 - COMMUNITY SERVICES		257,361	230,145	231,928	17,969	156,163	176,315	(20,152)	-11.4%	231,928
Vote 5 - INFRASTRUCTURE AND ENGINEERING		731,601	695,979	676,920	43,092	438,456	533,064	(94,609)	-17.7%	676,920
Vote 6 - PLANNING DEVELOPMENT AND TOURISM		24,762	37,702	36,618	2,394	20,330	27,554	(7,225)	-26.2%	36,618
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	1,085,500	1,163,819	1,177,878	79,929	745,414	911,768	(166,354)	-18.2%	1,177,878
Surplus/ (Deficit) for the year	2	(64,140)	(75,124)	(28,437)	37,918	108,386	19,252	89,134	463.0%	(28,437)

Explanatory notes to Table C3 – Budgeted Financial Performance (revenue and expenditure by municipal vote)

The purpose of the format in which the monthly budget reporting table is represented, is to enable the Council to enforce a vote in accordance with the municipality's organisational structure, so as to assign responsibility for the revenue and expenditure recorded against these votes to the Municipal Manager and Directors concerned.

Operating revenue and expenditure is thus presented by "vote". A "vote" is defined as one of the main segments into which a budget of a municipality is divided into, for the appropriation of funds.

Table C4 Monthly Budget Statement – Financial Performance (revenue and expenditure) – M09 March 2023

Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue By Source										
Property rates		224,326	240,849	236,747	16,203	209,337	195,215	14,121	7%	236,747
Service charges - electricity revenue		327,359	371,804	350,201	23,187	225,584	262,651	(37,067)	-14%	350,201
Service charges - water revenue		83,125	89,362	88,580	10,127	71,707	66,435	5,272	8%	88,580
Service charges - sanitation revenue		56,405	62,796	59,450	6,267	46,364	44,588	1,776	4%	59,450
Service charges - refuse revenue		54,886	62,858	62,269	5,026	46,879	46,702	177	0%	62,269
Rental of facilities and equipment		3,094	2,968	2,865	264	2,108	2,149	(41)	-2%	2,865
Interest earned - external investments		3,225	2,811	3,057	736	3,918	2,293	1,625	71%	3,057
Interest earned - outstanding debtors		13,878	13,706	20,106	2,289	17,788	15,079	2,709	18%	20,106
Dividends received		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		5,881	1,842	6,484	1,828	7,877	4,863	3,014	62%	6,484
Licences and permits		9,593	8,397	8,397	494	8,511	6,145	2,366	38%	8,397
Agency services		2,560	5,352	5,352	-	672	4,014	(3,342)	-83%	5,352
Transfers and subsidies		153,880	177,920	177,920	46,773	172,271	175,948	(3,677)	-2%	177,920
Other revenue		12,393	12,298	34,880	842	7,822	26,155	(18,332)	-70%	34,880
Gains		10,234	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		960,840	1,052,961	1,056,307	114,037	820,838	852,236	(31,398)	-4%	1,056,307
Expenditure By Type										
Employee related costs		339,392	391,318	409,379	27,714	264,033	310,944	(46,911)	-15%	409,379
Remuneration of councillors		13,395	14,364	14,364	1,140	10,731	10,773	(42)	0%	14,364
Debt impairment		64,124	42,069	40,868	1,653	7,115	30,651	(23,535)	-77%	40,868
Depreciation & asset impairment		100,082	103,850	103,850	8,654	77,888	103,769	(25,882)	-25%	103,850
Finance charges		4,662	-	2,875	240	1,787	2,156	(370)	-17%	2,875
Bulk purchases - electricity		295,222	325,900	325,900	19,352	220,491	244,425	(23,934)	-10%	325,900
Inventory consumed		93,046	74,648	88,672	8,382	63,245	66,278	(3,033)	-5%	88,672
Contracted services		75,039	93,375	98,628	5,957	46,823	73,970	(27,148)	-37%	98,628
Transfers and subsidies		458	400	725	100	425	644	(219)	-34%	725
Other expenditure		89,311	117,984	92,802	6,736	52,890	68,289	(15,400)	-23%	92,802
Losses		10,641	-	-	-	-	-	-	-	-
Total Expenditure		1,085,372	1,163,909	1,178,064	79,929	745,428	911,900	(166,472)	-18%	1,178,064
Surplus/(Deficit)		(124,532)	(110,948)	(121,757)	34,108	75,410	(59,665)	135,075	(0)	(121,757)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		60,630	35,734	93,134	3,810	32,962	78,784	(45,822)	(0)	93,134
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		20	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		(63,881)	(75,214)	(28,623)	37,918	108,373	19,120			(28,623)
Taxation		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		(63,881)	(75,214)	(28,623)	37,918	108,373	19,120			(28,623)
Attributable to minorities		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		(63,881)	(75,214)	(28,623)	37,918	108,373	19,120			(28,623)
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		(63,881)	(75,214)	(28,623)	37,918	108,373	19,120			(28,623)

Explanatory notes to Table C4 – Budgeted Financial Performance (revenue and expenditure)

The Financial Performance Budget is required to be approved concurrently by revenue source and expenditure type, so as to ensure consistency with annual reporting format requirements. A key aim is to facilitate comparison between the monthly results, the monthly budget-to-date projections and the original budget, so as to assess performance.

Table C5 Monthly Budget Statement – Capital Expenditure (municipal vote, standard classification and funding) – M09 March 2023

Vote Description	Ref	Budget Year 2022/23								
		2021/22 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Multi-Year expenditure appropriation	2									
Vote 1 - EXECUTIVE COUNCIL		2,077	-	450	-	(2)	337	(339)	-101%	450
Vote 2 - FINANCIAL SERVICES		2,393	1,670	2,660	74	1,150	1,995	(845)	-42%	2,660
Vote 3 - CORPORATE SERVICES		1,914	-	-	-	10	-	10	#DIV/0!	-
Vote 4 - COMMUNITY SERVICES		3,644	1,638	12,444	(39)	8,961	9,743	(782)	-8%	12,444
Vote 5 - INFRASTRUCTURE AND ENGINEERING		65,189	35,167	88,529	17,460	50,003	67,527	(17,524)	-26%	88,529
Vote 6 - PLANNING DEVELOPMENT AND TOURISM		263	-	2,417	-	364	1,813	(1,449)	-80%	2,417
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	4,7	75,479	38,475	106,501	17,495	60,486	81,415	(20,929)	-26%	106,501
Single Year expenditure appropriation	2									
Vote 1 - EXECUTIVE COUNCIL		207	750	773	31	129	580	(451)	-78%	773
Vote 2 - FINANCIAL SERVICES		1,402	60	60	4	43	45	(2)	-4%	60
Vote 3 - CORPORATE SERVICES		-	-	-	-	-	-	-	-	-
Vote 4 - COMMUNITY SERVICES		22,346	-	-	-	-	-	-	-	-
Vote 5 - INFRASTRUCTURE AND ENGINEERING		9,246	400	650	-	-	487	(487)	-100%	650
Vote 6 - PLANNING DEVELOPMENT AND TOURISM		592	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	4	33,792	1,210	1,483	36	172	1,112	(940)	-85%	1,483
Total Capital Expenditure	3	109,271	39,685	107,983	17,531	60,658	82,527	(21,869)	-26%	107,983
Capital Expenditure - Functional Classification										
Governance and administration		8,587	2,480	4,484	110	1,445	3,363	(1,918)	-57%	4,484
Executive and council		2,284	750	1,200	27	105	900	(795)	-88%	1,200
Finance and administration		6,303	1,730	3,262	78	1,318	2,446	(1,128)	-46%	3,262
Internal audit		-	-	23	4	21	17	4	25%	23
Community and public safety		8,172	1,638	2,879	(39)	239	2,568	(2,329)	-91%	2,879
Community and social services		71	-	-	-	-	-	-	-	-
Sport and recreation		5,936	-	1,241	(39)	239	930	(691)	-74%	1,241
Public safety		2,165	1,638	1,638	-	-	1,638	(1,638)	-100%	1,638
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		21,126	11,609	19,016	1,281	12,630	15,393	(2,762)	-18%	19,016
Planning and development		2,055	4,922	7,339	817	1,199	6,634	(5,436)	-82%	7,339
Road transport		19,070	6,687	11,677	464	11,432	8,758	2,674	31%	11,677
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		71,387	23,959	81,604	16,178	46,343	61,203	(14,860)	-24%	81,604
Energy sources		9,709	1,738	1,863	198	1,247	1,398	(150)	-11%	1,863
Water management		24,143	907	54,836	15,981	31,000	41,127	(10,127)	-25%	54,836
Waste water management		17,527	21,313	14,800	-	5,309	11,100	(5,791)	-52%	14,800
Waste management		20,008	-	10,104	-	8,786	7,578	1,208	16%	10,104
Other		-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	3	109,271	39,685	107,983	17,531	60,658	82,527	(21,869)	-26%	107,983
Funded by:										
National Government		49,169	29,649	79,562	17,262	44,545	60,802	(16,257)	-27%	79,562
Provincial Government		-	-	-	-	-	-	-	-	-
District Municipality		1,600	1,638	1,638	-	-	1,638	(1,638)	-100%	1,638
Other transfers and grants		-	-	-	-	-	-	-	-	-
Transfers recognised - capital		50,769	31,287	81,200	17,262	44,545	62,440	(17,895)	-29%	81,200
Public contributions & donations	5	-	-	-	-	-	-	-	-	-
Borrowing	6	-	-	10,104	-	8,786	7,578	1,208	16%	10,104
Internally generated funds		58,431	8,398	16,679	268	7,326	12,509	(5,183)	-41%	16,679
Total Capital Funding		109,200	39,685	107,983	17,531	60,658	82,527	(21,869)	-26%	107,983

Explanatory notes to Table C5 – Budgeted Capital Expenditure by vote, standard classification and funding

Table C5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote; capital expenditure by standard classification; and the funding necessary to fund the capital budget, including information on capital transfers from national and provincial departments.

Table C6 Monthly Budget Statement – Financial Position – M09 March 2023

Description	Ref	2021/22	Budget Year 2022/23			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash		18,048	2,601	3,693	77,149	3,693
Call investment deposits		9,803	2,838	4,850	91,368	4,850
Consumer debtors		46,705	67,955	60,236	45,369	60,236
Other debtors		144,763	47,032	61,041	18,906	61,041
Current portion of long-term receivables		–	–	–	–	–
Inventory		17,050	12,570	17,259	17,259	17,259
Total current assets		236,368	132,996	147,079	250,052	147,079
Non current assets						
Long-term receivables		–	–	–	–	–
Investments		–	–	–	–	–
Investment property		262,608	262,645	262,608	262,608	262,608
Investments in Associate		–	–	–	–	–
Property, plant and equipment		2,065,745	1,989,453	2,069,744	2,054,170	2,069,744
Agricultural		–	–	–	–	–
Biological assets		–	–	–	–	–
Intangible assets		870	1,890	410	494	410
Other non-current assets		–	–	–	–	–
Total non current assets		2,329,223	2,253,988	2,332,762	2,317,272	2,332,762
TOTAL ASSETS		2,565,591	2,386,984	2,479,841	2,567,324	2,479,841
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Borrowing		7,464	–	12,169	2,873	12,169
Consumer deposits		23,673	20,774	23,673	27,373	23,673
Trade and other payables		184,892	95,855	77,560	112,844	77,560
Provisions		34,767	38,275	41,511	34,767	41,511
Total current liabilities		250,795	154,904	154,913	177,856	154,913
Non current liabilities						
Borrowing		22,813	–	16,043	25,287	16,043
Provisions		214,842	191,375	227,316	214,884	227,316
Total non current liabilities		237,656	191,375	243,359	240,171	243,359
TOTAL LIABILITIES		488,450	346,280	398,272	418,027	398,272
NET ASSETS	2	2,077,141	2,040,704	2,081,569	2,149,297	2,081,569
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		1,914,840	2,040,704	2,081,569	2,149,297	2,081,569
Reserves		–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	1,914,840	2,040,704	2,081,569	2,149,297	2,081,569

Explanatory notes to Table C6 – Budgeted Financial Position

- i. The table represents Assets less Liabilities as Community Wealth. The order of items within each group is also aligned to the convention of showing items in order of liquidity, i.e. assets readily converted to cash or liabilities immediately required to be met from cash appear first.

- ii. Any movement on the Budgeted Financial Performance or the Capital Budget will invariably impact on the Budgeted Financial Position. For example, the collection rate assumption will impact on the cash position of the municipality and consequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate assumption informs the budget provision for bad debts. These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as compliance assessment is directly informed by forecasting the statement of financial position.

Table C7 Monthly Budget Statement – Cash Flow – M09 March 2023

Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		490,993	230,449	227,440	17,738	193,281	170,580	22,701	13%	227,440
Service charges		238,396	652,478	628,917	43,988	379,776	471,688	(91,911)	-19%	628,917
Other revenue		22,231	57,445	101,036	14,205	118,014	75,777	42,237	56%	101,036
Transfers and Subsidies - Operational		147,988	177,920	177,920	46,075	176,511	133,440	43,071	32%	177,920
Transfers and Subsidies - Capital		-	35,734	93,134	27,915	73,569	69,851	3,718	5%	93,134
Interest		841,486	2,811	3,057	3,073	21,781	2,293	19,488	850%	3,057
Dividends		-	-	-	-	-	-	-	-	-
Payments										
Suppliers and employees		145,625	(1,115,817)	(1,140,765)	(62,302)	(745,126)	(855,574)	(110,448)	13%	(1,140,765)
Finance charges		-	-	-	-	-	-	-	-	-
Transfers and Grants		-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		1,886,718	41,019	90,740	90,692	217,806	68,055	(149,751)	-220%	90,740
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-
Payments										
Capital assets		(30,649)	(39,685)	(97,879)	(20,160)	(67,844)	(73,409)	(5,565)	8%	(97,879)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(30,649)	(39,685)	(97,879)	(20,160)	(67,844)	(73,409)	(5,565)	8%	(97,879)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		2,899	-	-	-	-	-	-	-	-
Payments										
Repayment of borrowing		250	-	(12,169)	(1,208)	(9,296)	(9,127)	169	-2%	(12,169)
NET CASH FROM/(USED) FINANCING ACTIVITIES		3,149	-	(12,169)	(1,208)	(9,296)	(9,127)	169	-2%	(12,169)
NET INCREASE/ (DECREASE) IN CASH HELD		1,859,218	1,334	(19,308)	69,324	140,666	(14,481)			(19,308)
Cash/cash equivalents at beginning:		53,394	4,105	27,851		27,851	27,851			27,851
Cash/cash equivalents at month/year end:		1,912,613	5,439	8,542		168,517	13,369			8,542

Explanatory notes to Table C7 – Budgeted Cash Flow Statement

- i. The budgeted cash flow statement represents the first measurement in determining whether the budget is funded.
- ii. It reflects the expected cash inflows versus outflows that are likely to result from the implementation of the budget.

ANALYSIS OF THE MUNICIPALITY'S STATEMENT OF FINANCIAL POSITION

In this section the Municipality's Debtors, Creditors and Investments will be analysed. These components have a significant impact on the Municipality's financial position.

1. Overview of outstanding Consumer Debtors (Inclusive of VAT)

Below is an analysis of the outstanding consumer debtors as at 31 March 2023, compared to the position as at 30 June 2022.

Debtors' Age Analysis (Inclusive of VAT) as at 31 March 2023

Description	Budget Year 2021/22								
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
R thousands									
Debtors Age Analysis By Income Source									
Trade and Other Receivables from Exchange Transactions - Water	18,868	6,915	4,375	3,321	4,729	3,405	13,993	62,350	117,955
Trade and Other Receivables from Exchange Transactions - Electricity	22,074	1,408	1,073	836	841	859	4,372	10,914	42,378
Receivables from Non-exchange Transactions - Property Rates	16,012	1,400	1,155	994	856	808	11,292	25,281	57,799
Receivables from Exchange Transactions - Waste Water Management	7,793	1,812	1,413	1,279	1,305	1,136	6,161	28,709	49,607
Receivables from Exchange Transactions - Waste Management	5,952	1,444	1,350	1,273	1,241	1,209	6,378	38,563	57,410
Receivables from Exchange Transactions - Property Rental Debtors	-	-	-	-	-	-	-	-	-
Interest on Arrear Debtor Accounts	560	224	236	259	373	350	2,811	42,925	47,738
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	-	-	-	-	-	-	-	-	-
Other	(31,959)	490	382	400	364	376	2,462	16,593	(10,891)
Total By Income Source	39,300	13,693	9,986	8,361	9,709	8,143	47,469	225,335	361,995
									-
Debtors Age Analysis By Customer Group									
Organs of State	438	467	419	355	403	419	2,919	6,673	12,091
Commercial	6,895	487	337	344	349	316	1,533	5,393	15,654
Households	31,967	12,740	9,230	7,662	8,957	7,408	43,018	213,269	334,251
Other	(1)	-	-	-	-	-	-	-	(1)
Total By Customer Group	39,300	13,693	9,986	8,361	9,709	8,143	47,469	225,335	361,995

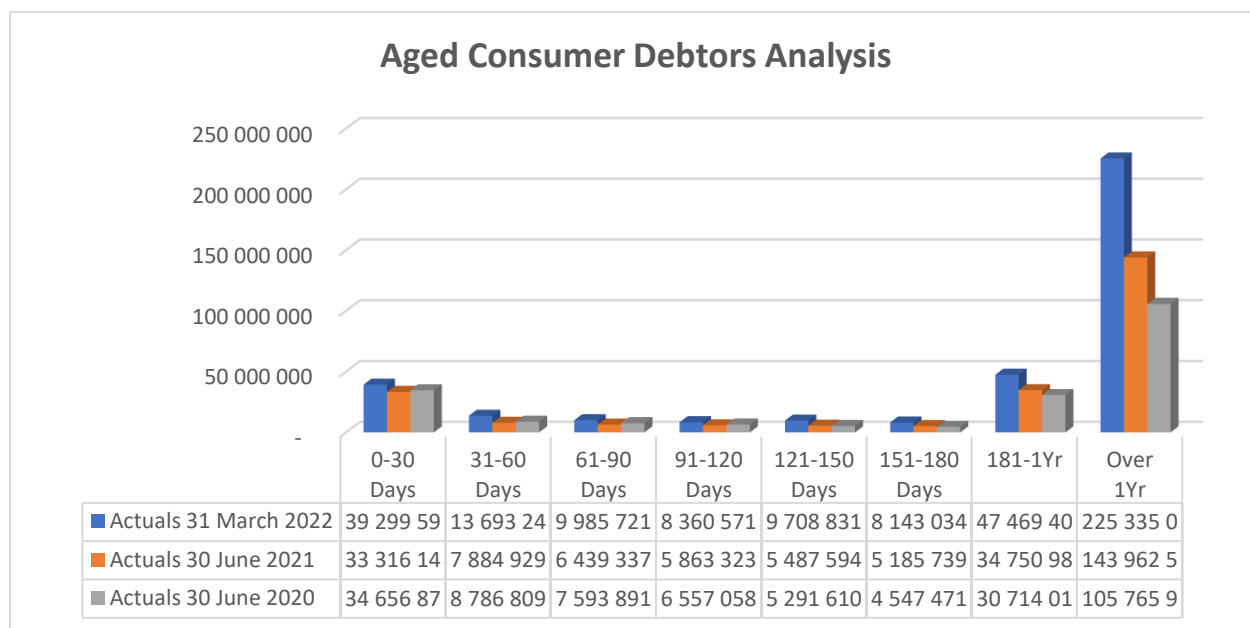
Debtors' Age Analysis (Inclusive of VAT) as at 30 June 2022.

Description	Budget Year 2021/22								
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
R thousands									
Debtors Age Analysis By Income Source									
Trade and Other Receivables from Exchange Transactions - Water	10,891	2,264	2,465	2,115	2,334	1,841	10,051	52,869	84,829
Trade and Other Receivables from Exchange Transactions - Electricity	19,651	1,380	1,057	1,059	708	622	3,335	9,910	37,721
Receivables from Non-exchange Transactions - Property Rates	11,960	1,015	825	805	692	520	8,224	22,205	46,245
Receivables from Exchange Transactions - Waste Water Management	6,010	1,195	1,085	1,019	1,045	908	5,155	23,856	40,273
Receivables from Exchange Transactions - Waste Management	5,083	1,248	1,165	1,124	1,106	1,093	6,084	32,208	49,111
Receivables from Exchange Transactions - Property Rental Debtors	-	-	-	-	-	-	-	-	-
Interest on Arrear Debtor Accounts	189	90	126	161	186	189	2,133	31,885	34,957
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	-	-	-	-	-	-	-	-	-
Other	(21,171)	386	359	303	343	281	4,438	13,519	(1,542)
Total By Income Source	32,612	7,576	7,082	6,586	6,412	5,453	39,420	186,451	291,593
2020/21 - totals only									-
Debtors Age Analysis By Customer Group									
Organs of State	1,090	511	399	436	253	269	2,704	4,396	10,058
Commercial	6,597	374	309	266	303	211	1,103	4,916	14,079
Households	24,925	6,691	6,374	5,885	5,857	4,974	35,612	177,139	267,456
Other	-	-	-	-	-	-	-	-	-
Total By Customer Group	32,612	7,576	7,082	6,586	6,412	5,453	39,420	186,451	291,593

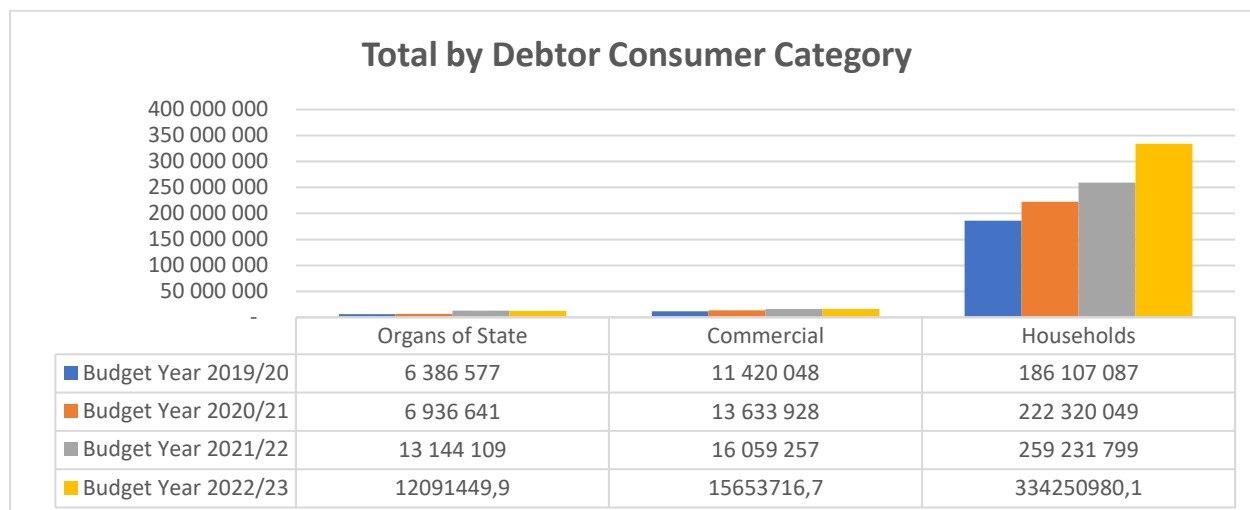
The aforementioned analysis indicates that from 30 June 2022 to 31 March 2023, the overdue debts have increased by R 63,715 million from R 258,981 million to R 322,696 million, as follows:

R thousands	OVERDUE AMOUNTS AS AT		
	30-Jun-22	31-Mar-23	DIFFERENCE
Debtors Age Analysis By Income Source			
Trade and Other Receivables from Exchange Transactions - Water	73,938	99,087	25,148
Trade and Other Receivables from Exchange Transactions - Electricity	18,070	20,304	2,234
Receivables from Non-exchange Transactions - Property Rates	34,285	41,786	7,501
Receivables from Exchange Transactions - Waste Water Management	34,263	41,815	7,552
Receivables from Exchange Transactions - Waste Management	44,028	51,458	7,430
Receivables from Exchange Transactions - Property Rental Debtors	–	–	–
Interest on Arrear Debtor Accounts	34,768	47,178	12,410
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	–	–	–
Other	19,629	21,068	1,439
Total By Income Source	258,981	322,696	63,715
	–	–	
Debtors Age Analysis By Customer Group	–	–	
Organs of State	8,968	11,653	2,686
Commercial	7,482	8,759	1,276
Households	242,531	302,284	59,753
Other	–	–	–
Total By Customer Group	258,981	322,696	63,715

Graphical Analysis of consumer debtors



Graphical Analysis of consumer debtors (total by Debtor Consumer Category)



2. Overview of Creditors position

Below is an analysis of the status of the major creditors.

Description	Budget Year 2022/23								
	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total
R thousands									
Creditors Age Analysis By Customer Type									
Bulk Electricity	22,164	(50)	-	-	-	-	-	-	22,113
Bulk Water	754	4,365	6,833	4,062	3,569	(13,703)	5	(1,630)	4,255
PAYE deductions									-
VAT (output less input)									-
Pensions / Retirement deductions									-
Loan repayments									-
Trade Creditors	12,241	1,561	448	16	4	2	545	1,268	16,085
Auditor General									-
Other									-
Total By Customer Type	35,159	5,875	7,282	4,079	3,573	(13,702)	550	(362)	42,453

The above amounts represent invoices still to be paid. The major creditors as at 31 March 2023 are as follows:

Eskom	R 22,113 million
NMBM	R 4,255 million
Other Creditors	R 16,085 million
Total	<u>R 42,453 million</u>

It is to be noted that the Eskom amount of R 22,113 million, represents the current account for March 2023, which will be fully paid on 23 April 2023.

3. Allocation and Grants receipts and expenditure for the 2022/23 financial year

Supporting Table SC6 Monthly Budget Statement – transfers and grant receipts – M09 March 2023.

Description	Budget Year 2022/23							
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands							%	
RECEIPTS:								
Operating Transfers and Grants								
National Government:	172,982	172,982	46,346	172,982	172,982	-		172,982
Operational Revenue:General Revenue:Equitable Share	163,292	163,292	45,723	163,292	163,292	-		163,292
Department of Environmental Affairs	5,000	5,000	-	5,000	5,000	-		5,000
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]	1,175	1,175	352	1,175	1,175	-		1,175
Local Government Financial Management Grant [Schedule 5B]	1,720	1,720	-	1,720	1,720	-		1,720
Municipal Infrastructure Grant [Schedule 5B]	1,795	1,795	271	1,795	1,795	-		1,795
Provincial Government:	2,050	2,050	-	2,050	2,050	-		2,050
Library Grant	2,050	2,050	-	2,050	2,050	-		2,050
District Municipality:	2,888	2,888	-	1,479	1,479	-		2,888
Environmental Health Subsidy	2,888	2,888	-	1,479	1,479	-		2,888
Total Operating Transfers and Grants	177,920	177,920	46,346	176,511	176,511	-		177,920
Capital Transfers and Grants								
National Government:	34,096	91,496	19,544	64,476	64,476	-		91,496
Water Services Infrastructure Grant		57,400	14,388	30,379	30,379			57,400
Municipal Infrastructure Grant [Schedule 5B]	34,096	34,096	5,156	34,096	34,096	-		34,096
District Municipality:	1,638	1,638	-	993	993	-		1,638
Fire Services Subsidy	1,638	1,638	-	993	993	-		1,638
Total Capital Transfers and Grants	35,734	93,134	19,544	65,469	65,469	-		93,134
TOTAL RECEIPTS OF TRANSFERS & GRANTS	213,654	271,054	65,890	241,979	241,979	-		271,054

Below is an analysis of the spending associated with the grants as at 31 March 2023:

Supporting Table SC7 Monthly Budget Statement – transfers and grants expenditure – M09 March 2023.

Description	Budget Year 2022/23							
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands							%	
RECEIPTS:								
Operating Transfers and Grants								
National Government:	172,982	172,982	159	166,116	170,853	(4,737)	-2.8%	172,982
Operational Revenue:General Revenue:Equitable Share	163,292	163,292		163,292	163,292	-	0.0%	163,292
Department of Environmental Affairs	5,000	5,000		134	3,750	(3,616)	-96.4%	5,000
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]	1,175	1,175		1,175	1,175	-	0.0%	1,175
Local Government Financial Management Grant [Schedule 5B]	1,720	1,720	66	596	1,290	(694)	-53.8%	1,720
Municipal Infrastructure Grant [Schedule 5B]	1,795	1,795	93	918	1,346	(427)	-31.8%	1,795
Provincial Government:	2,050	2,050	-	2,050	2,050	-	0.0%	2,050
Library Grant	2,050	2,050	-	2,050	2,050	-	0.0%	2,050
District Municipality:	2,888	2,888	-	1,479	1,479	-	0.0%	2,888
Environmental Health Subsidy	2,888	2,888	-	1,479	1,479	-	0.0%	2,888
Total Operating Transfers and Grants	177,920	177,920	159	169,645	174,382	(4,737)	-2.7%	177,920
Capital Transfers and Grants								
National Government:	34,096	91,496	3,810	31,970	68,622	(36,653)	-53.4%	91,496
Water Services Infrastructure Grant		57,400	2,336	11,702	43,050	(31,348)	-72.8%	57,400
Municipal Infrastructure Grant [Schedule 5B]	34,096	34,096	1,474	20,268	25,572	(5,305)	-20.7%	34,096
District Municipality:	1,638	1,638	-	993	993	-	0.0%	1,638
Fire Services Subsidy	1,638	1,638	-			-		1,638
Total Capital Transfers and Grants	35,734	93,134	3,810	32,962	69,615	(36,653)	-52.7%	93,134
TOTAL RECEIPTS OF TRANSFERS & GRANTS	213,654	271,054	3,969	202,607	243,997	(41,390)	-17.0%	271,054

Note: The equitable share allocation is utilised to fund indigent household's subsidies granted to qualifying households, with the remainder being used to support the Municipality's operations.

Grants received from National Government.

DORA Operating Grants

Financial Management Grant (FMG)

The purpose of this grant is to promote and support reforms in financial management by building capacity in municipalities to implement the Municipal Finance Management Act (MFMA).

DORA Allocation:	R 1,720,000
Amount of Grant Received:	R 1,720,000
Expenditure to date:	R 596,104
Unspent as at 31 March 2023:	R 1,123,896

The spending of the grant received amounted to 34,66% as at 31 March 2023, compared to the amount of the grant received.

Expanded Public Works Programme (EPWP)

The purpose of this grant is to provide Expanded Public Works Programme (EPWP) incentive funding to expand job creation efforts in specific focus areas, where labour intensive methods can be maximised.

DORA Allocation:	R 1,175,000
Amount of Grant Received:	R 1,175,000
Expenditure to date:	R 1,175,000
Overspent as at 31 March 2023:	R 0.00

The spending of the grant received amounted to 100 % as at 31 March 2023, compared to the amount of the grant received.

DORA Capital Grants

Municipal Infrastructure Grant (MIG)

The purpose of this grant is to provide specific capital finance for eradicating basic municipal infrastructure backlogs.

DORA Allocation:	R 35,891,000
Amount of Grant Received:	R 35,891,000
Expenditure to date:	R 21,186,021
Unspent as at 31 March 2023:	R 14,704,979

The spending of the grant amounted to 59.03% as at 31 March 2023, compared to the amount of the grant received.

Water Services Infrastructure Grant

The purpose of this grant is to provide specific capital finance for projects to accelerate backlog reduction in municipal infrastructure and provide interim, intermediate water and sanitation supply that ensures provision of services to identified and prioritised communities, including through spring protection and groundwater development and support drought relief projects.

DORA Allocation:	R 57,400,000
Amount of Grant Received:	R 30,379,445
Expenditure to date:	R 11,702,105
Unspent as at 31 March 2023:	R 18,677,339

The spending of the grant amounted to 38.52% as at 31 March 2023, compared to the amount of the grant received.

Unspent conditional grants include the following:

Conditional Grant	Amount Received	Amount Spent	Unspent Amount
DEAT	5,000,000	134,007	4,865,993
Human Settlement	25,689,286	2,616,724	23,072,561
Total	30,689,286	2,750,731	27,938,554

4. Councillor and employee benefits

Below is an analysis of Councillor and employee benefits:

Table SC8 Monthly Budget Statement – Councillor and staff benefits – M09 March 2023.

Summary of Employee and Councillor remuneration	Budget Year 2022/23							
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
Councillors (Political Office Bearers plus Other)								
Basic Salaries and Wages	9,584	9,584	762	7,193	7,188	5	0%	9,584
Medical Aid Contributions	–	–	13	141	–	141		–
Motor Vehicle Allowance	3,232	3,232	254	2,398	2,424	(27)	-1%	3,232
Cellphone Allowance	1,548	1,548	111	999	1,161	(162)	-14%	1,548
Sub Total - Councillors	14,364	14,364	1,140	10,731	10,773	(42)	0%	14,364
Senior Managers of the Municipality								
Basic Salaries and Wages	7,282	6,742	363	3,813	5,056	(1,243)	-25%	6,742
Pension and UIF Contributions	111	111	5	46	83	(38)	-45%	111
Medical Aid Contributions	50	50	3	23	37	(14)	-39%	50
Performance Bonus	23	1,436	–	–	1,077	(1,077)	-100%	1,436
Motor Vehicle Allowance	1,965	1,842	35	385	1,382	(997)	-72%	1,842
Cellphone Allowance	10	10	1	7	7	–		10
Other benefits and allowances	4	4	0	0	3	(3)	-87%	4
Payments in lieu of leave	4,500	4,500	353	3,087	3,375	(288)	-9%	4,500
Sub Total - Senior Managers of Municipality	13,945	14,695	759	7,361	11,021	(3,660)	-33%	14,695
Other Municipal Staff								
Basic Salaries and Wages	252,252	249,987	18,181	160,447	187,490	(27,043)	-14%	249,987
Pension and UIF Contributions	34,906	34,901	2,825	24,984	26,176	(1,191)	-5%	34,901
Medical Aid Contributions	17,471	17,471	1,507	13,023	13,103	(80)	-1%	17,471
Overtime	28,219	27,706	1,943	20,848	20,779	69	0%	27,706
Performance Bonus	23	23	–	23	23	(0)	-2%	23
Motor Vehicle Allowance	10,774	10,554	871	7,755	7,916	(161)	-2%	10,554
Cellphone Allowance	53	53	1	17	40	(23)	-58%	53
Housing Allowances	1,031	1,051	63	541	788	(248)	-31%	1,051
Other benefits and allowances	29,770	32,938	1,482	27,830	28,607	(777)	-3%	32,938
Payments in lieu of leave	1,600	1,600	11	339	1,200	(61)	-72%	1,600
Long service awards	1,275	1,276	72	865	957	(92)	-10%	1,276
Post-retirement benefit obligations	–	17,124	–	–	12,843	(12,843)	-100%	17,124
Sub Total - Other Municipal Staff	377,374	394,684	26,955	256,672	299,923	(43,251)	-14%	394,684
Total Parent Municipality	405,683	423,743	28,854	274,764	321,717	(46,954)	-15%	423,743
TOTAL SALARY, ALLOWANCES & BENEFITS	405,683	423,743	28,854	274,764	321,717	(46,954)	-15%	423,743
TOTAL MANAGERS AND STAFF	391,318	409,379	27,714	264,033	310,944	(46,911)	-15%	409,379

6. Key performance indicators

The table below reflects the key performance indicators as per the 2022/23 Budget and the associated performance to date.

		Actuals as at 30 June 2019	Actuals as at 30 June 2020	Actuals as at 30 June 2021	Actuals as at 30 June 2022	Approved Adjusted Budget 2022/23	Actuals as at 31 March 2023
Borrowing Management							
Capital Charges to Operating Expenditure	Interest & principal paid/Total Operating Expenditure	1.29%	1.22%	1.13%	0.67%	1.28%	1.49%
Borrowed funding of "own" capital expenditure	Borrowings/Capital expenditure excl. transfers & grants	0%	0%	0%	0%	0%	0%
Debt Servicing Costs to Operating Revenue	Debt Servicing Costs / Total Operating Revenue - Conditional Grants	0.01	0.01	0.01	0.01	0.01	0.01
Liquidity							
Current Ratio	Current assets / current liabilities	1.31	1.26	2.61	1.12	0.95:1	1.41:1
Liquidity Ratio	Monetary assets / current liabilities	0.84	0.61	0.45	0.24	0.06:1	0.95:1
Revenue Management							
Annual Debtors Collection Rate	Billed Revenue / Receipted Revenue	97,62%	95,42%	94,41%	94,32%	95%	88,06%

Other indicators		Actuals as at 30 June 2019	Actuals as at 30 June 2020	Actuals as at 30 June 2021	Actuals as at 30 June 2022	Approved Adjusted Budget 2022/23	Actuals as at 31 March 2023
Cost coverage	(Cash and cash equivalents - Unspent Conditional Grants - Overdraft) + Short term investment)/monthly fixed operational expenditure excluding (depreciation, amortisation, provision for bad debts, impairment and loss on disposal of assets)	1.97	1.79	0.62	0.37	0.10 Months	1.34 Months
Employee Costs	Employee Costs / Total Operating Expenditure	33.39%	32.53%	34.26%	33.86%	34.75%	35.42%
Capital Expenditure	Capital Expenditure / Capital Budget	44.59%	75.33%	76.92%	87%	95%	56.17%
Repairs and Maintenance as % of Total Operating Expenditure	Repairs and Maintenance / Total Operating Expenditure	5.63%	6.68%	7.00%	5.32%	4.38%	3.30%
Repairs and Maintenance as % of PPE (Book Value)	Repairs and Maintenance / Net PPE	2.29%	2.90%	3.33%	2.52%	2.49%	1.20%
Own Revenue Sources / Total Operating Revenue (Including operating grants)	Own Revenue Sources / Total Operating Revenue (Including Conditional Grants)	75.36%	71.88%	77.11%	83.67%	83.16%	79.01%

The above table is discussed in detail below.

4.1. Borrowing Management

4.1.1. Capital charges to Operating Expenditure.

The Ratio indicates the cost required to service the borrowing. It assesses the Borrowing or Payment obligation expressed as percentage of Total Operating Expenditure.

Capital charges/Total Operating Expenditure to date.

The ratio is 1.49% as at 31 March 2023, compared to the approved adjusted budget ratio of 1.28%.

Borrowed funding of capital expenditure.

This ratio indicates the proportion of borrowed funding to actual capital expenditure to date (excluding transfers and grants). The ratio also indicates the extent of capital expenditure being financed from borrowed funding compared to own and other funding sources, excluding transfers and grant funded expenditure.

The ratio is determined as follows:

Capital expenditure funded from Borrowings/Total Capital Expenditure to date (excluding transfers and grants)

The ratio is 0% as no capital expenditure was funded from borrowings, which is in line with the budgeted target as per the 2022/23 Operating Budget.

4.1.2. Debt Servicing Costs to Operating Revenue Ratio

This ratio indicates the proportion of debt servicing costs (interest and principal paid on borrowing) to actual operating revenue to date.

The ratio is determined as follows:

Debt Servicing Costs/Operating Revenue

As at 31 March 2023, the ratio indicates 0.01, compared to the approved adjusted budget of 0.01.

4.1.3. Current ratio

The Ratio assesses the Municipality's ability to meet its Short-term Liabilities (Debt and Payables) with its Short-term Assets (Cash, Inventory, Receivables etc.).

The ratio is determined as follows:

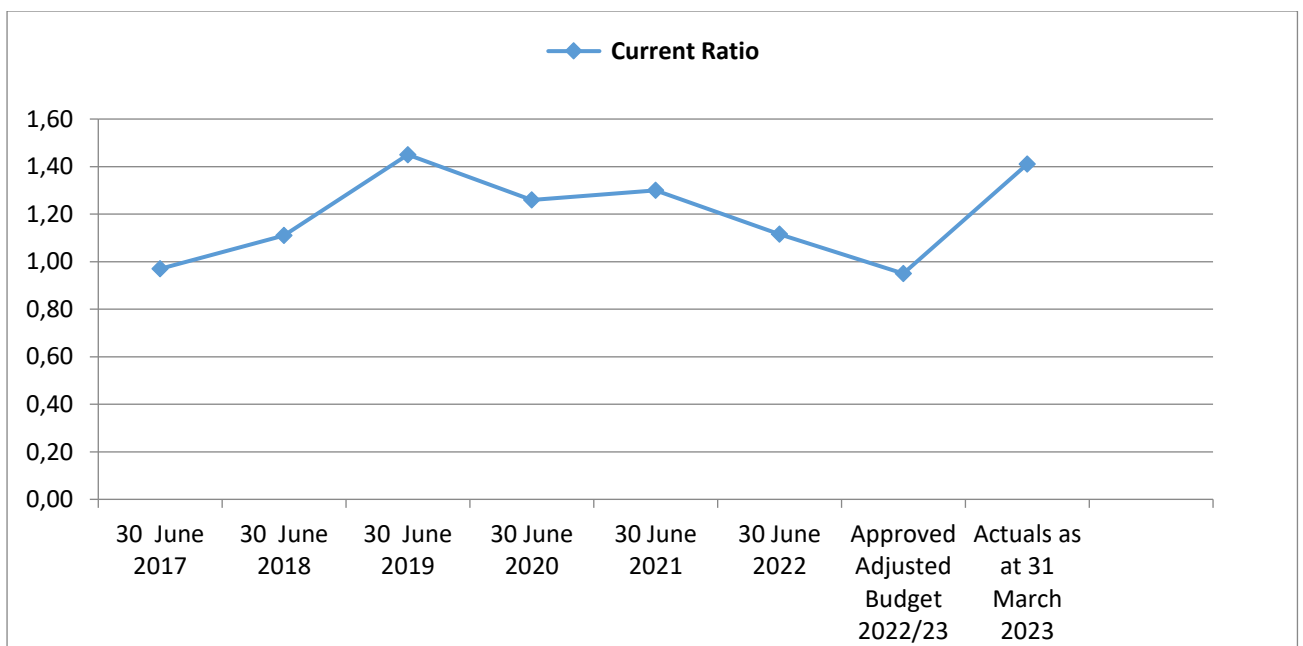
Current assets/Current liabilities

The ratio as at 31 March 2023 was 1.41:1, compared to the approved adjusted budget ratio of 0.95:1

In terms of the MFMA Circular No. 71, the norm is 1.5:1 to 2:1

The higher the current Ratio, the stronger the Municipality's financial capacity to meet its current obligations.

A ratio of below 1:1 would suggest that the Municipality would be unable to meet all of its current obligations as and when they fall due.



4.1.4. Liquidity Ratio

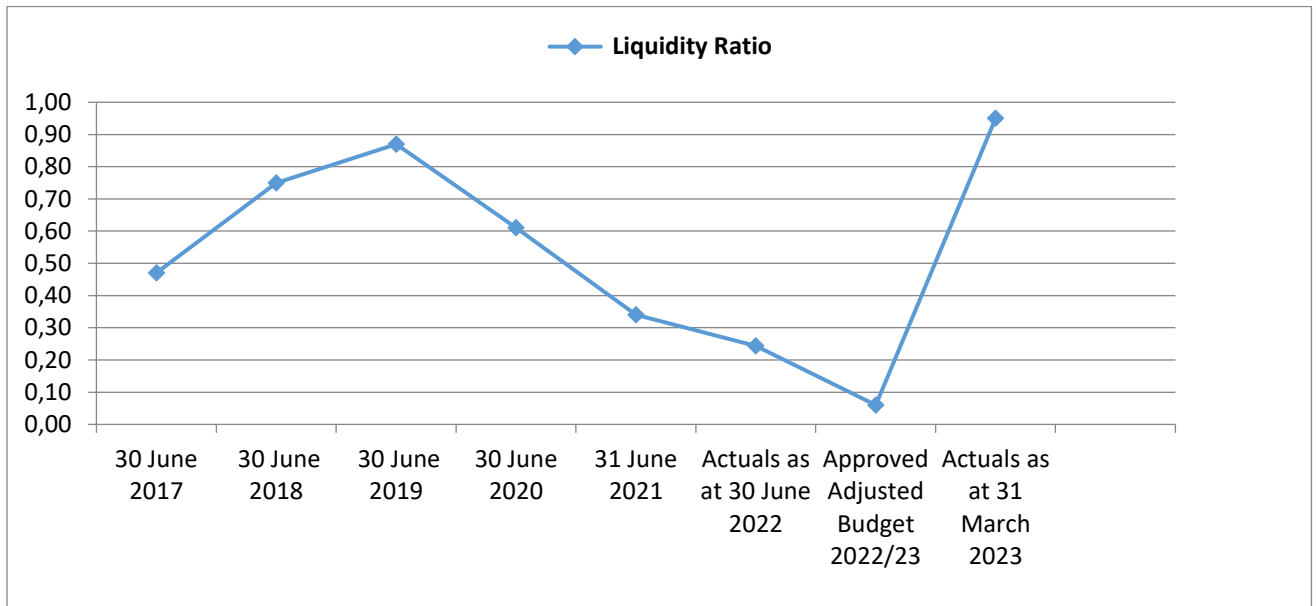
The liquidity ratio assesses a Municipality's ability to meet its short-term commitments from Monetary Assets.

The ratio is determined as follows:

Monetary assets/Current liabilities

A favourable ratio would ensure that the Municipality is able to settle its short-term commitments from monetary assets. The liquidity ratio as at 31 March 2023 was 0.95:1, compared to the approved adjusted budget ratio of 0.06:1.

The liquidity ratio is of the utmost importance to measure the financial liquidity and sustainability of the municipality.



4.2. Revenue Management

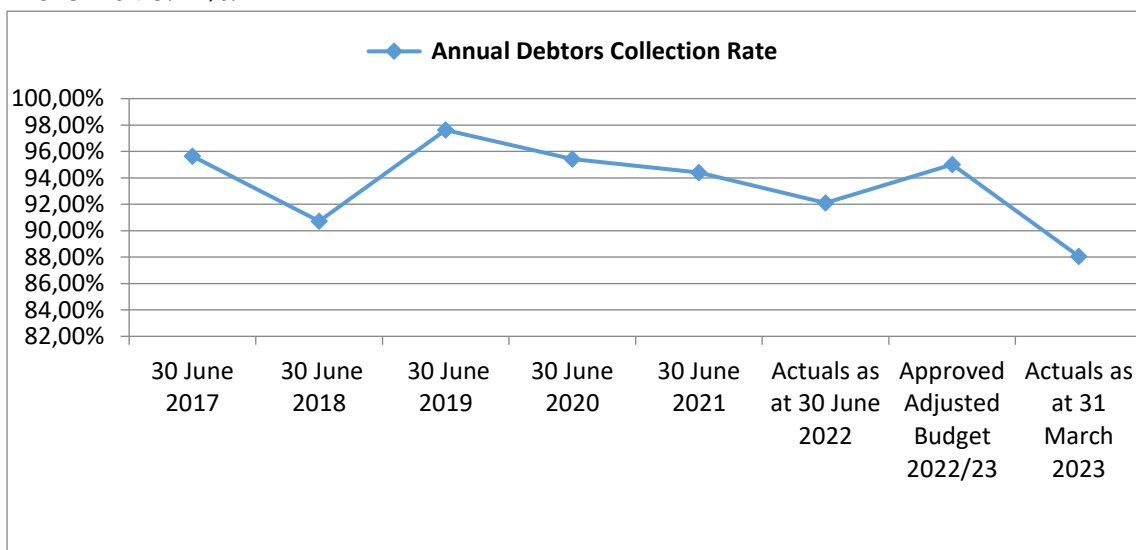
4.2.1. Annual Debtors Collection Rate

This ratio assesses the actual cash collected, compared to the monetary value of the municipal accounts rendered for municipal rates and services.

The ratio to determine the percentage collection rate is as follows:

$$\frac{\text{Gross Debtors Opening Balance} + \text{Billed Revenue} - \text{Gross Debtors Closing Balance} - \text{Bad Debts Written Off}}{\text{Billed Revenue}} \times 100$$

The average collection rate as at 31 March 2023 was 88.06%, compared to the approved adjusted budget collection rate of 95%. The actual collection rate for March is 95.21%.



4.3. Other indicators

4.3.1. Cost coverage

The Ratio indicates the Municipality's ability to meet at least its monthly fixed operating commitments from cash and short-term investments, without collecting any additional revenue, during that particular month.

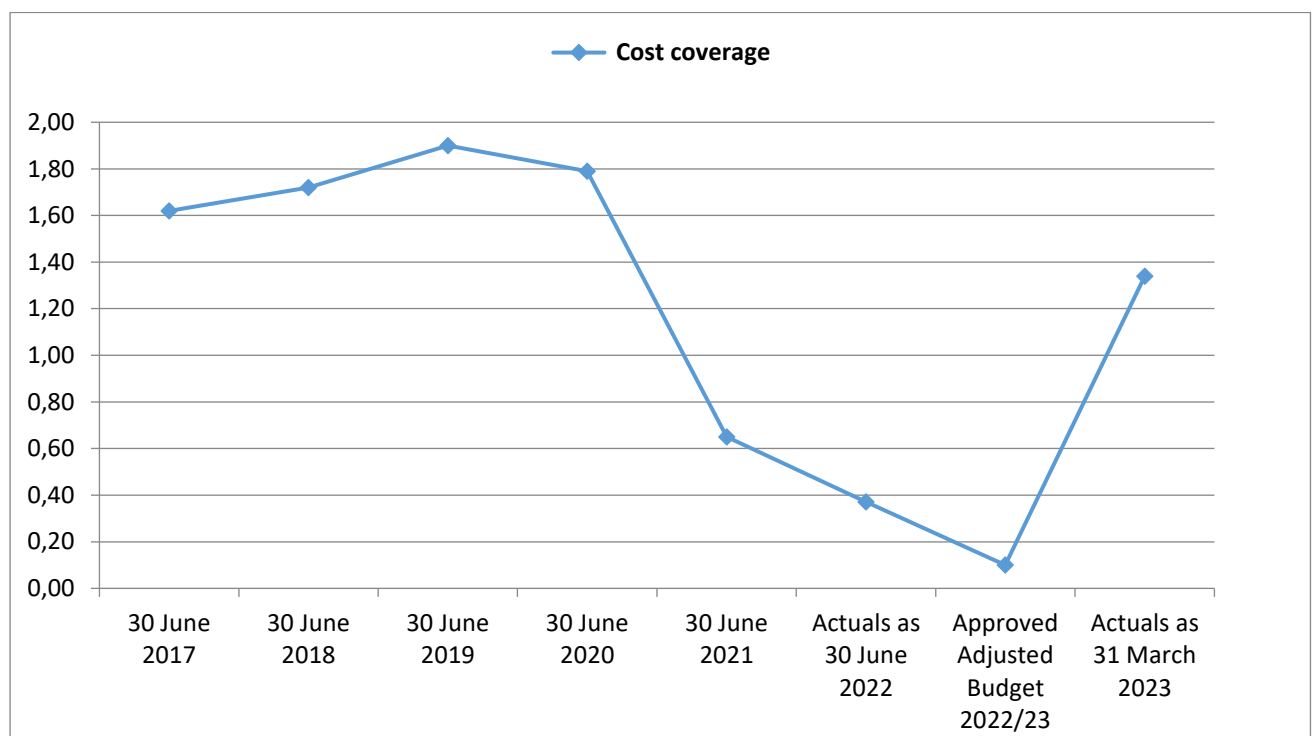
The Ratio is adjusted for Unspent Conditional Grants as the cash is not available for normal day-to-day operational expenditure, but rather reserved for Grant related expenditure.

The ratio is determined as follows:

Cash and cash equivalents – unspent conditional grants – overdraft + short-term investments/ monthly fixed operational expenditure excluding (depreciation, amortisation, provisions for bad debts, impairment and loss on the disposal of assets)

As at 31 March 2023, the Ratio was 1.34 months, compared to the approved adjusted budget ratio of 0.10 months.

In terms of MFMA Circular No. 71, the norm is 1 month to 3 months.



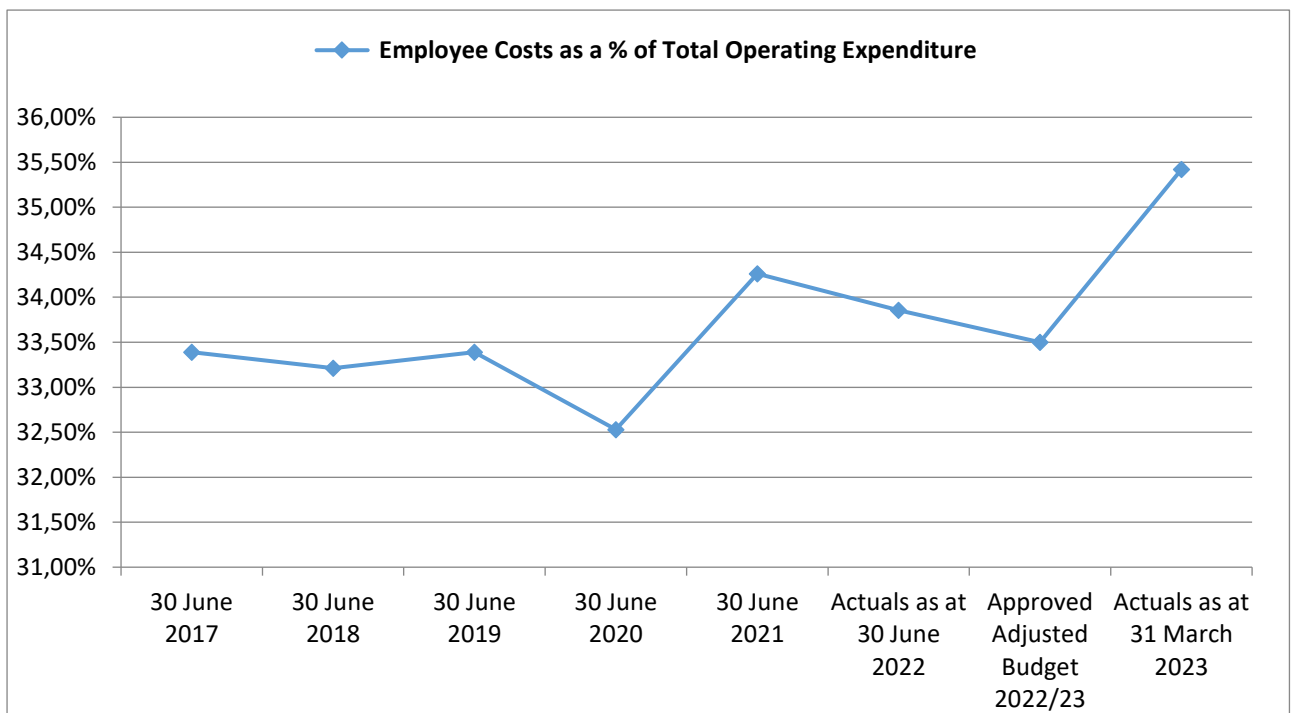
4.3.2. Employee costs as a % of Total Operating Expenditure

This ratio assesses the extent to which the Municipality's Total Operating Expenditure is consumed by costs associated with the employment of human resources.

The ratio is determined as follows:

Employee Costs to date/Total Operating Expenditure to Date

As at 31 March 2023, Employee Related Costs constituted 35.42% of the Total Operating Expenditure, compared to the approved adjusted budget ratio 34.75%.



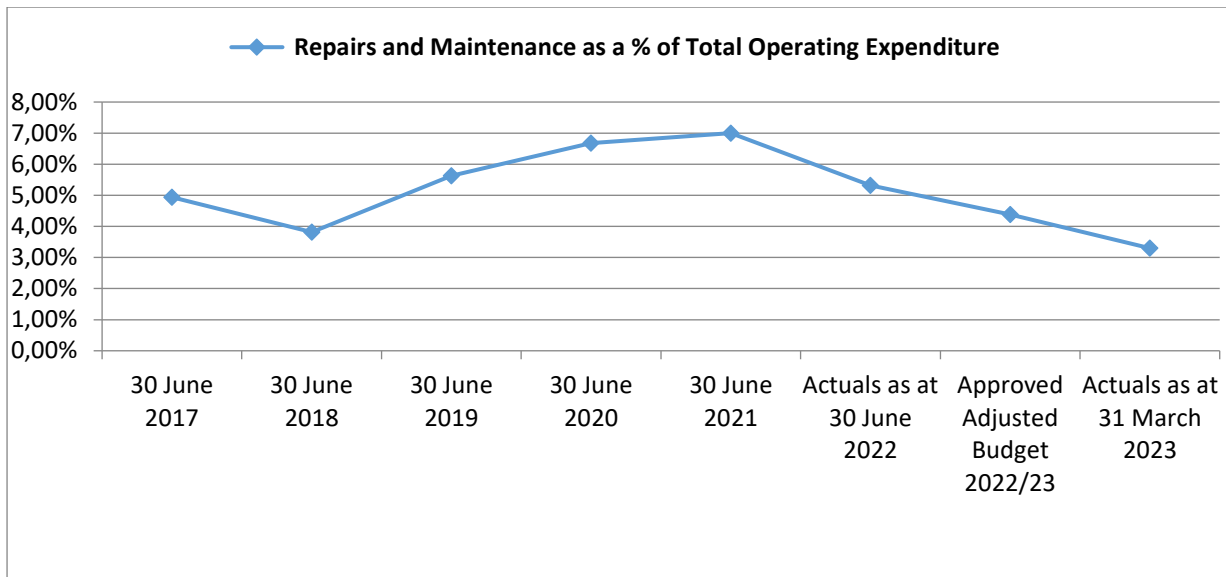
4.3.3. Repairs and Maintenance as a % of Total Operating Expenditure

This ratio assesses the extent to which the Municipality's Total Operating Expenditure is consumed by costs associated with the repairs and maintenance of its assets.

The ratio is determined as follows:

Repairs and maintenance expenditure to date / Total Operating Expenditure to date

As at 31 March 2023, the ratio was 3.30%, compared to the approved adjusted budget ratio of 4.38%.



4.3.4. Repairs and Maintenance as a % of the book value of Property, Plant and Equipment (PPE)

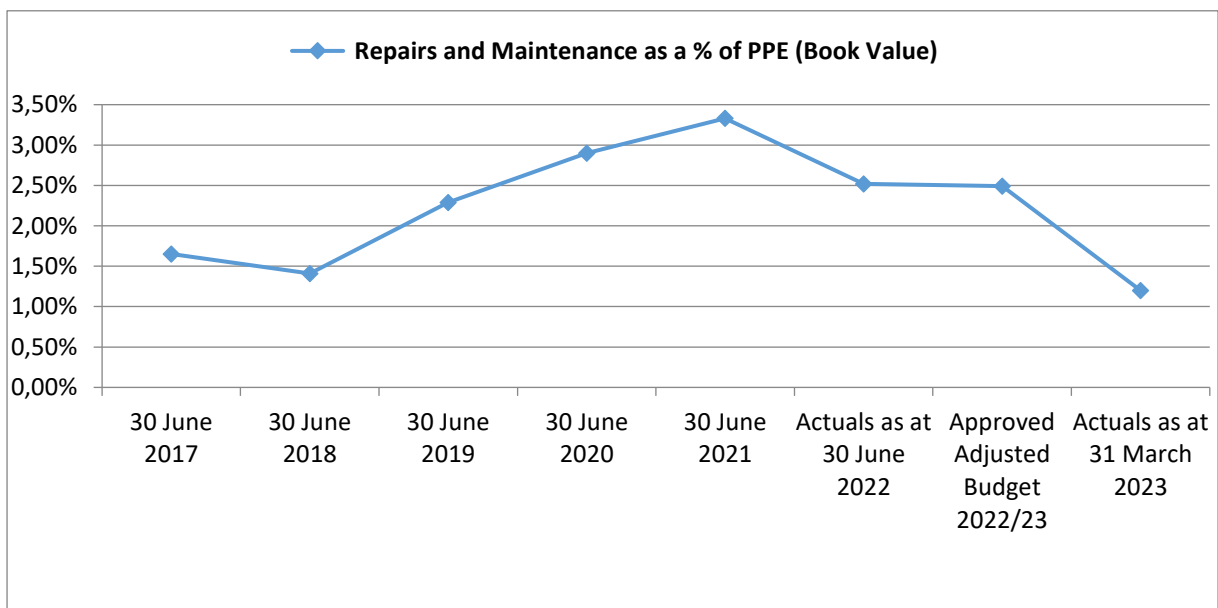
The Ratio measures the level of repairs and maintenance to ensure adequate maintenance to minimise breakdowns and interruptions in service delivery.

The ratio is determined as follows:

$$\text{Repairs and maintenance expenditure to date} / \text{Book value of PPE to date}$$

As at 31 March 2023, repairs and maintenance expenditure constituted 1.20% of the book value of PPE, compared to the approved adjusted budget ratio of 2.49%.

In terms of the MFMA Circular No.71, the norm is 8%.



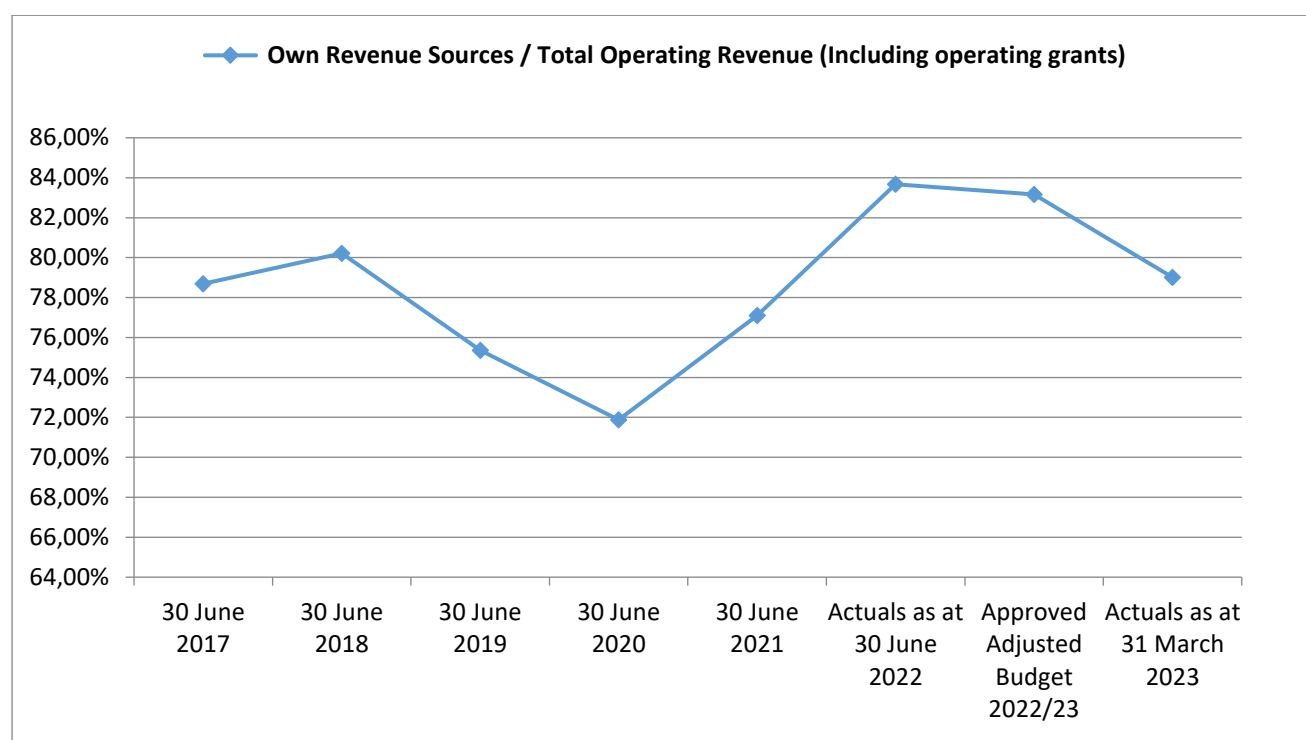
Own Revenue Generation

This ratio measures the extent to which the Municipality has control over its revenue sources, i.e., what percentage of its revenue is generated locally. The higher the ratio, the less reliant a Municipality is on Provincial and National Government to support its operations.

The ratio is determined as follows:

Own Revenue Sources / Total Operating Income (includes operating grants)

As at 31 March 2023, the Municipality's own revenue sources constituted 79.01% of its total Operating Income, compared to the approved adjusted budget ratio of 83.16%.



4.3.5. Capital Budget Spending

This ratio assesses the level of actual capital spending, compared to the budgeted capital expenditure.

The ratio is determined as follows:

Actual Capital spending / Approved Capital Budget

The actual spending as at 31 March 2023 amounted to 56.17% compared to the approved adjusted budget ratio of 95%.

